

FISCAL BIENNIUM 2008-2010 COMMONWEALTH BUDGET FINAL BUDGET MEMORANDUM

VOLUME V

Legislative Research Commission

June 4, 2008

This FB 2008-2010 Commonwealth Budget Final Budget Memorandum, as approved by the Legislative Research Commission pursuant to 2008 HJR 81, enumerates the changes made by the 2008 General Assembly to HB 406, the State/Executive Branch Budget Bill, and provides explanatory detail to convey the intent of their actions. This report addresses not only provisions of HB 406, but also applicable provisions of HB 2, HB 410, HB 514, and HB 608 that impact, add, or modify appropriations provisions contained in HB 406. Volume VI lists the Biennial Highway Construction projects approved by the General Assembly in HB 79, which was subsequently vetoed by the Governor in its entirety.

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**FISCAL BIENNIUM 2008-2010 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

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K - Postsecondary Education**Operating Budget****Summary Totals**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	6,680,100	6,680,100		6,586,100	6,836,100	250,000	6,680,600	7,906,600	1,226,000
General Fund	1,340,701,200	1,340,701,200		1,186,716,600	1,301,947,100	115,230,500	1,196,987,100	1,323,315,400	126,328,300
Restricted Funds	3,066,960,800	3,066,960,800		3,069,553,800	3,209,992,500	140,438,700	3,080,957,400	3,357,790,600	276,833,200
Federal Funds	691,022,000	691,022,000		694,403,600	720,993,300	26,589,700	699,934,300	757,686,600	57,752,300
Regular Total Funds	5,105,364,100	5,105,364,100		4,957,260,100	5,239,769,000	282,508,900	4,984,559,400	5,446,699,200	462,139,800
Use of Continuing	204,900	204,900							
TOTAL FUNDS	5,105,569,000	5,105,569,000		4,957,260,100	5,239,769,000	282,508,900	4,984,559,400	5,446,699,200	462,139,800
II. EXPENDITURE CATEGORY									
Personnel Costs	2,568,964,400	2,568,964,400		2,510,776,800	2,659,488,900	148,712,100	2,522,147,300	2,761,756,600	239,609,300
Operating Expenses	1,487,367,900	1,487,367,900		1,457,484,500	1,533,729,100	76,244,600	1,461,222,500	1,605,774,200	144,551,700
Grants, Loans, Benefits	785,377,300	785,377,300		743,480,000	791,304,600	47,824,600	745,508,400	811,357,300	65,848,900
Debt Service	105,280,300	105,280,300		91,892,100	91,892,100		101,860,600	98,471,100	(3,389,500)
Capital Outlay	158,579,100	158,579,100		153,626,700	163,354,300	9,727,600	153,820,600	169,340,000	15,519,400
TOTAL EXPENDITURES	5,105,569,000	5,105,569,000		4,957,260,100	5,239,769,000	282,508,900	4,984,559,400	5,446,699,200	462,139,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	6,680,100	6,680,100		6,586,100	6,586,100		6,680,600	6,680,600	
General Fund	1,340,701,200	1,340,701,200		1,186,716,600	1,183,324,300	(3,392,300)	1,187,308,600	1,183,916,300	(3,392,300)
Restricted Funds	3,066,960,800	3,066,960,800		3,069,553,800	3,209,992,500	140,438,700	3,080,957,400	3,357,790,600	276,833,200
Federal Funds	691,022,000	691,022,000		694,403,600	720,993,300	26,589,700	699,934,300	757,686,600	57,752,300
Regular Total Funds	5,105,364,100	5,105,364,100		4,957,260,100	5,120,896,200	163,636,100	4,974,880,900	5,306,074,100	331,193,200
Use of Continuing	204,900	204,900							
TOTAL BASE LEVEL	5,105,569,000	5,105,569,000		4,957,260,100	5,120,896,200	163,636,100	4,974,880,900	5,306,074,100	331,193,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)					250,000	250,000		1,226,000	1,226,000
General Fund					118,622,800	118,622,800	9,678,500	139,399,100	129,720,600
TOTAL ADDITIONAL					118,872,800	118,872,800	9,678,500	140,625,100	130,946,600

K - Postsecondary Education**Capital Budget****Summary Totals**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds	5,000,000	7,680,100	2,680,100	1,571,870,700	2,011,845,601	439,974,900	15,388,200	15,488,200	100,000
Federal Funds				69,398,000	70,748,000	1,350,000	11,546,500	11,546,500	
Bond Funds	5,700,000	5,700,000		167,982,000	107,427,000	(60,555,000)			
Agency Bonds	23,500,000	54,200,000	30,700,000	496,042,000	351,613,000	(144,429,000)			
Other Funds	67,000,000	113,730,000	46,730,000	516,007,000	597,853,000	81,846,000	2,909,000	2,159,000	(750,000)
TOTAL CAPITAL	101,200,000	181,310,100	80,110,100	2,821,299,701	3,139,486,601	318,186,900	29,843,700	29,193,700	(650,000)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Council on Postsecondary Education	120,288,600	120,288,600		85,529,500	87,384,700	1,855,200	95,523,300	94,151,400	(1,371,900)
Kentucky Higher Education Assistance Authority	213,539,300	213,539,300		198,631,200	214,873,000	16,241,800	198,052,900	216,595,600	18,542,700
Eastern Kentucky University	286,668,900	286,668,900		289,081,000	296,061,600	6,980,600	302,534,500	310,249,700	7,715,200
Kentucky State University	63,265,700	63,265,700		60,253,100	62,667,100	2,414,000	60,252,100	62,920,100	2,668,000
Morehead State University	178,994,000	178,994,000		176,719,800	180,945,300	4,225,500	181,014,500	185,684,700	4,670,200
Murray State University	148,823,100	148,823,100		142,467,400	154,075,400	11,608,000	142,467,400	159,323,800	16,856,400
Northern Kentucky University	198,347,000	198,347,000		194,738,200	216,272,800	21,534,600	194,747,700	231,243,800	36,496,100
University of Kentucky	2,062,135,700	2,062,135,700		2,026,050,400	2,134,364,800	108,314,400	2,026,083,700	2,220,751,300	194,667,600
University of Louisville	862,408,200	862,408,200		848,720,000	886,222,300	37,502,300	848,525,700	913,224,500	64,698,800
Western Kentucky University	312,088,500	312,088,500		303,061,300	327,484,200	24,422,900	303,349,400	342,652,700	39,303,300
Kentucky Community and Technical College System	658,805,100	658,805,100		632,008,200	679,417,800	47,409,600	632,008,200	709,901,600	77,893,400
Regular Appropriation	5,105,364,100	5,105,364,100		4,957,260,100	5,239,769,000	282,508,900	4,984,559,400	5,446,699,200	462,139,800

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND (TOBACCO)									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Council on Postsecondary Education	5,480,100	5,480,100		5,586,100	5,586,100		5,680,600	6,656,600	976,000
Kentucky Higher Education Assistance Authority	1,200,000	1,200,000		1,000,000	1,000,000		1,000,000	1,000,000	
University of Kentucky					250,000	250,000		250,000	250,000
Regular Appropriation	6,680,100	6,680,100		6,586,100	6,836,100	250,000	6,680,600	7,906,600	1,226,000

GENERAL FUND (TOBACCO)

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Kentucky Higher Education Assistance Authority	208,600	208,600							
Reserve Spending	208,600	208,600							

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Council on Postsecondary Education	86,778,300	86,778,300		52,090,800	53,946,000	1,855,200	61,814,700	59,466,800	(2,347,900)
Kentucky Higher Education Assistance Authority	174,304,900	174,304,900		164,750,300	180,992,100	16,241,800	165,266,300	183,809,000	18,542,700
Eastern Kentucky University	77,837,400	77,837,400		70,264,500	77,245,100	6,980,600	70,284,300	77,999,500	7,715,200
Kentucky State University	27,525,700	27,525,700		24,513,100	26,927,100	2,414,000	24,512,100	27,180,100	2,668,000
Morehead State University	47,251,500	47,251,500		42,456,600	46,682,100	4,225,500	42,331,800	47,002,000	4,670,200
Murray State University	54,386,600	54,386,600		48,030,900	52,943,200	4,912,300	48,030,900	53,460,200	5,429,300
Northern Kentucky University	53,677,000	53,677,000		50,068,200	54,922,000	4,853,800	50,077,700	55,442,300	5,364,600
University of Kentucky	326,964,400	326,964,400		290,879,100	321,252,600	30,373,500	290,912,400	324,366,500	33,454,100
University of Louisville	186,288,900	186,288,900		172,600,700	185,423,000	12,822,300	172,406,400	186,787,700	14,381,300
Western Kentucky University	83,842,700	83,842,700		74,815,500	82,296,300	7,480,800	75,103,600	83,371,600	8,268,000
Kentucky Community and Technical College System	221,843,800	221,843,800		196,246,900	219,317,600	23,070,700	196,246,900	224,429,700	28,182,800
Regular Appropriation	1,340,701,200	1,340,701,200		1,186,716,600	1,301,947,100	115,230,500	1,196,987,100	1,323,315,400	126,328,300

GENERAL FUND

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Council on Postsecondary Education	250,800	250,800	
Kentucky Higher Education Assistance Authority	(254,500)	(254,500)	
Reserve Spending	(3,700)	(3,700)	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Council on Postsecondary Education	8,930,800	8,930,800		8,753,200	8,753,200		8,928,600	8,928,600	
Kentucky Higher Education Assistance Authority	36,466,400	36,466,400		31,312,900	31,312,900		30,218,600	30,218,600	
Eastern Kentucky University	129,181,500	129,181,500		134,387,500	134,387,500		142,755,500	142,755,500	
Kentucky State University	20,520,900	20,520,900		20,520,900	20,520,900		20,520,900	20,520,900	
Morehead State University	70,252,400	70,252,400		74,170,500	74,170,500		78,125,000	78,125,000	
Murray State University	82,134,500	82,134,500		82,134,500	88,589,400	6,454,900	82,134,500	92,929,200	10,794,700
Northern Kentucky University	130,338,800	130,338,800		130,338,800	145,519,600	15,180,800	130,338,800	157,370,300	27,031,500
University of Kentucky	1,544,842,600	1,544,842,600		1,544,842,600	1,613,017,100	68,174,500	1,544,842,600	1,686,297,400	141,454,800
University of Louisville	560,263,400	560,263,400		560,263,400	581,119,400	20,856,000	560,263,400	602,808,300	42,544,900
Western Kentucky University	194,521,800	194,521,800		194,521,800	206,289,900	11,768,100	194,521,800	217,857,100	23,335,300
Kentucky Community and Technical College System	289,507,700	289,507,700		288,307,700	306,312,100	18,004,400	288,307,700	319,979,700	31,672,000
Regular Appropriation	3,066,960,800	3,066,960,800		3,069,553,800	3,209,992,500	140,438,700	3,080,957,400	3,357,790,600	276,833,200

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Council on Postsecondary Education	19,099,400	19,099,400		19,099,400	19,099,400		19,099,400	19,099,400	
Kentucky Higher Education Assistance Authority	1,568,000	1,568,000		1,568,000	1,568,000		1,568,000	1,568,000	
Eastern Kentucky University	79,650,000	79,650,000		84,429,000	84,429,000		89,494,700	89,494,700	
Kentucky State University	15,219,100	15,219,100		15,219,100	15,219,100		15,219,100	15,219,100	
Morehead State University	61,490,100	61,490,100		60,092,700	60,092,700		60,557,700	60,557,700	
Murray State University	12,302,000	12,302,000		12,302,000	12,542,800	240,800	12,302,000	12,934,400	632,400
Northern Kentucky University	14,331,200	14,331,200		14,331,200	15,831,200	1,500,000	14,331,200	18,431,200	4,100,000
University of Kentucky	190,328,700	190,328,700		190,328,700	199,845,100	9,516,400	190,328,700	209,837,400	19,508,700
University of Louisville	115,855,900	115,855,900		115,855,900	119,679,900	3,824,000	115,855,900	123,628,500	7,772,600
Western Kentucky University	33,724,000	33,724,000		33,724,000	38,898,000	5,174,000	33,724,000	41,424,000	7,700,000
Kentucky Community and Technical College System	147,453,600	147,453,600		147,453,600	153,788,100	6,334,500	147,453,600	165,492,200	18,038,600
Regular Appropriation	691,022,000	691,022,000		694,403,600	720,993,300	26,589,700	699,934,300	757,686,600	57,752,300

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K - Postsecondary Education**Operating Budget****Council on Postsecondary Education**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	5,480,100	5,480,100		5,586,100	5,586,100		5,680,600	6,656,600	976,000
General Fund	86,778,300	86,778,300		52,090,800	53,946,000	1,855,200	61,814,700	59,466,800	(2,347,900)
Restricted Funds	8,930,800	8,930,800		8,753,200	8,753,200		8,928,600	8,928,600	
Federal Funds	19,099,400	19,099,400		19,099,400	19,099,400		19,099,400	19,099,400	
Regular Total Funds	120,288,600	120,288,600		85,529,500	87,384,700	1,855,200	95,523,300	94,151,400	(1,371,900)
Use of Continuing	250,800	250,800							
TOTAL FUNDS	120,539,400	120,539,400		85,529,500	87,384,700	1,855,200	95,523,300	94,151,400	(1,371,900)
II. EXPENDITURE CATEGORY									
Personnel Costs	12,338,800	12,338,800		11,911,000	11,061,000	(850,000)	12,204,200	11,354,200	(850,000)
Operating Expenses	5,574,900	5,574,900		5,134,500	5,984,500	850,000	4,901,300	5,751,300	850,000
Grants, Loans, Benefits	80,005,100	80,005,100		68,354,000	70,209,200	1,855,200	68,609,300	70,626,900	2,017,600
Debt Service	22,493,000	22,493,000					9,678,500	6,289,000	(3,389,500)
Capital Outlay	127,600	127,600		130,000	130,000		130,000	130,000	
TOTAL EXPENDITURES	120,539,400	120,539,400		85,529,500	87,384,700	1,855,200	95,523,300	94,151,400	(1,371,900)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	5,480,100	5,480,100		5,586,100	5,586,100		5,680,600	5,680,600	
General Fund	86,778,300	86,778,300		52,090,800	50,590,800	(1,500,000)	52,136,200	50,636,200	(1,500,000)
Restricted Funds	8,930,800	8,930,800		8,753,200	8,753,200		8,928,600	8,928,600	
Federal Funds	19,099,400	19,099,400		19,099,400	19,099,400		19,099,400	19,099,400	
Regular Total Funds	120,288,600	120,288,600		85,529,500	84,029,500	(1,500,000)	85,844,800	84,344,800	(1,500,000)
Use of Continuing	250,800	250,800							
TOTAL BASE LEVEL	120,539,400	120,539,400		85,529,500	84,029,500	(1,500,000)	85,844,800	84,344,800	(1,500,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)								976,000	976,000
General Fund					3,355,200	3,355,200	9,678,500	8,830,600	(847,900)
TOTAL ADDITIONAL					3,355,200	3,355,200	9,678,500	9,806,600	128,100
V. ADDITIONAL BUDGET ITEMS									
1 GB Kentucky Adult Education									
ABR415W0013 Provides funds to support Kentucky Adult Education.									
General Fund					1,500,000	1,500,000		1,500,000	1,500,000
Project Total					1,500,000	1,500,000		1,500,000	1,500,000

K - Postsecondary Education**Operating Budget****Council on Postsecondary Education**

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	NEW	Research Challenge Trust Fund									
ABR415W0027 Provides half-year debt service to support Bond Funds.											
General Fund									2,515,000	2,893,000	378,000
Project Total									2,515,000	2,893,000	378,000
3	NEW	Regional University Excellence Trust Fund									
ABR415W0028 Provides half-year debt service to support Bond Funds.											
General Fund									503,000	503,000	
Project Total									503,000	503,000	
4	NEW	Capital Projects - Debt Service									
ABR415W0012 Provides funds for debt service on capital projects in Part II, Capital Budget.											
General Fund (Tobacco)										976,000	976,000
General Fund									6,660,500	1,917,000	(4,743,500)
Project Total									6,660,500	2,893,000	(3,767,500)
5	GB	Contract Spaces - Veterinary and Optometry Spaces									
ABR415W0001 Provides funds for Veterinary and Optometry contract spaces.											
General Fund						755,200	755,200			917,600	917,600
Project Total						755,200	755,200			917,600	917,600
6	CONT	Washington D.C. Internship Program									
ABR415W0031 Scholarships to the Washington Center for Internships and Academic Seminars.											
General Fund						100,000	100,000			100,000	100,000
Project Total						100,000	100,000			100,000	100,000
7	CONT	Agency Operations									
ABR415W0032 Restoration of base funding.											
General Fund						1,000,000	1,000,000			1,000,000	1,000,000
Project Total						1,000,000	1,000,000			1,000,000	1,000,000
TOTAL ADDITIONAL						3,355,200	3,355,200		9,678,500	9,806,600	128,100

TRANSFERS TO THE GENERAL FUND**Council on Postsecondary Education**

K - Postsecondary Education**Operating Budget****Council on Postsecondary Education**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND								
Postsecondary Workforce Development Trust Fund (KRS 164.7925)				10,000	10,000			
Lung Cancer Research Fund (KRS 164.476)				140,000	140,000			
Technology Initiative Trust Fund (KRS 164.7921)				50,000	50,000			
TOTAL				200,000	200,000			

COUNCIL ON POSTSECONDARY EDUCATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Carry Forward of General Fund Appropriation Balance: Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2007-2008 and fiscal year 2008-2009 to the Adult Education and Literacy Funding Program shall not lapse and shall carry forward. Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2007-2008 and fiscal year 2008-2009 to the Science and Technology Funding Program shall not lapse and shall carry forward."

"Strategic Investment and Incentive Trust Funds Interest Income: Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917, 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, interest earnings in the amount of \$343,900 in fiscal year 2008-2009 and \$343,900 in fiscal year 2009-2010 shall be transferred from Strategic Investment and Incentive Trust Fund accounts included under these statutes to Agency Revenue accounts within the Council on Postsecondary Education budget unit in the following amounts and for the following specified purposes: \$105,500 in each fiscal year for the Minority Student College Preparation Program, \$188,400 in each fiscal year for the Southern Regional Board Doctoral Scholars Program, and \$50,000 in each fiscal year for the P-16 Council."

"Interest Earnings Transfer from the Strategic Investment and Incentive Trust Fund Accounts: Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917, 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, any expenditures from the Strategic Investment and Incentive Trust Fund accounts in excess of appropriated amounts by the Council on Postsecondary Education shall be subject to KRS 48.630."

COUNCIL ON POSTSECONDARY EDUCATION

"Ovarian Cancer: Notwithstanding KRS 164.476, General Fund (Tobacco) moneys in the amount of \$775,000 in each fiscal year shall be allotted from the Lung Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the University of Kentucky."

"Debt Service: Included in the above General Fund appropriation is \$9,678,500 in fiscal year 2009-2010 for new debt service to support new bonds for postsecondary education budget units as set forth in Part II, Capital Projects Budget, of this Act."

The Executive Branch Budget supporting documents provide:

Physical Facilities Trust Fund: Included in the General Fund appropriation is \$9,678,500 in fiscal year 2009-2010 to provide debt service for \$113,682,000 in bond funds, including support for the Research Challenge and Regional University Excellence Trust Funds (i.e. Bucks for Brains) and the restoration of vetoed projects from HB 380.

Technology Initiatives Trust Fund: Included in the General Fund appropriation is \$7,848,100 in each year of the biennium for the Technology Initiatives Trust Fund. Funding is provided for the following subsidiary programs: the Kentucky Postsecondary Education Network (KPEN), Faculty Development, and the Kentucky Virtual Campus and Virtual Library.

Adult Education and Literacy Funding Program: Included in the General Fund appropriation is \$36,127,400 in each year of the biennium for the Adult Education and Literacy Funding Program.

Lung Cancer Research Trust Fund: Included in the General Fund appropriation are Phase I Tobacco Settlement funds in the amount of \$5,586,100 in fiscal year 2008-2009 and \$5,680,000 in fiscal year 2009-2010 for the Lung Cancer Research Trust Fund established in KRS 164.746.

Science and Technology Trust Fund: Included in the General Fund appropriation is \$7,848,100 in each year of the biennium for the Science and Technology Funding Program. The program includes the Research and Development Voucher Program, the Commercialization Fund, the Rural Innovation Fund, the Experimental Program to Stimulate Competitive Research (EPSCoR), the Science and Engineering Foundation, and the Knowledge-Based Economy Academic Programs.

Regional Stewardship Funding Program: Included in the General Fund appropriation is \$1,500,000 in each year of the biennium for the Science and Technology Funding Program.

COUNCIL ON POSTSECONDARY EDUCATION

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the language provision in Part I, Operating Budget, relating to ovarian cancer screening to read as follows:

"Ovarian Cancer: Notwithstanding KRS 164.476, General Fund (Tobacco) moneys in the amount of \$975,000 in each fiscal year shall be allotted from the Lung Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the University of Kentucky. Of that amount, \$200,000 in each fiscal year shall be allotted for serum Ca-125 tests for women in families at or below 200 percent of the federal poverty level for whom the test has been prescribed by a health care practitioner."

The General Assembly amends the language provision in Part I, Operating Budget relating to debt service to read as follows:

"Debt Service: (a) Included in the above General Fund appropriation is \$4,936,000 in fiscal year 2009-2010 for new debt service to support new bonds for postsecondary education budget units as set forth in Part II, Capital Projects Budget, of this Act, except as provided in paragraph (b) of this subsection.

(b) Included in the above General Fund (Tobacco) appropriation is \$885,000 in fiscal year 2009-2010 for new debt service to support new bonds for the University of Kentucky's Expand and Upgrade LDDC Phase II project and \$91,000 in fiscal year 2009-2010 for new debt service to support new bonds for the University of Kentucky's Renovate 4-H Camps project as set forth in Part II, J., 8., of this Act.

(c) Future debt service payments for the Renovate 4-H Camps project shall be provided from the General Fund. It is the intent of the General Assembly that in fiscal years 2010-2011 and 2011-2012, the debt service shall be provided from the General Fund."

The General Assembly amends Part I, Operating Budget, to include the following language provisions:

"Allocation of Funds: The Council on Postsecondary Education shall allocate the funds provided in the above appropriation in a manner that maximizes the opportunity to receive federal matching funds."

"Postsecondary Education Debt: Notwithstanding KRS 45.750 to 45.810, in order to lower the cost of borrowing, any university that has issued or caused to be issued debt obligations through a not-for-profit corporation or a municipality or county government for which the rental or use payments of the university substantially meet the debt service requirements of those debt obligations is

COUNCIL ON POSTSECONDARY EDUCATION

authorized to refinance those debt obligations if the principal amount of the debt obligations is not increased and the rental payments of the university are not increased. Any funds used by a university to meet debt obligations issued by a university pursuant to this subsection shall be subject to interception of state-appropriated funds pursuant to KRS 164A.608."

"Research Challenge Trust Fund: (a) The \$50,000,000 of General Fund-supported bond funds in fiscal year 2008-2009 for the Research Challenge Trust Fund provided in Part II, Capital Projects Budget, of this Act, shall be used to support the Endowment Match Program and the Research Capital Match Program as established in subsection (9) of this section.

(b) The combined funds for the Endowment Match Program and the Research Capital Match Program shall be apportioned between the University of Kentucky and the University of Louisville in accordance with KRS 164.7917(1)(c). Notwithstanding KRS 164.7917(2), prior to the issuance of bonds to support the Research Challenge Trust Fund, the Board of Trustees of each institution shall determine the allocation of funds to be used for the Endowment Match Program and the Research Capital Match Program and report that action to the Secretary of the Finance and Administration Cabinet, the President of the Council on Postsecondary Education, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue."

"Research Capital Match Program: In accordance with KRS 164.7917(1)(a), the Council on Postsecondary Education shall create within the Research Challenge Trust Fund a separate, subsidiary Research Capital Match Program and related account. The program shall provide funds to the University of Kentucky and the University of Louisville for research-related capital projects, including but not limited to laboratory renovation, fit-out of new and existing research space, and renovation of other research-related space. The Council on Postsecondary Education shall conduct the application, review, and award process in accordance with KRS 164.7917(2), except that, notwithstanding KRS 164.7917(2), the Research Capital Match Program funds provided to an institution shall be subject to a dollar-for-dollar match requirement. The council shall report awards under the Research Capital Match Program to the Secretary of the Finance and Administration Cabinet, the Capital Projects and Bond Oversight Committee, and the Interim Joint Committee on Appropriations and Revenue."

"Investment Disbursal of Research Challenge Trust Fund Proceeds: (a) The proceeds of the Research Challenge Trust Fund provided in Part II, Capital Projects Budget, of this Act shall be invested at the direction of the Council on Postsecondary Education.

(b) Upon receipt of certification from the president of a university stating that a formal commitment has been secured to provide the required matching funds under the Endowment Match Program, the council shall transfer funds from the Research Challenge Trust Fund Account to the university for management and investment by the university foundation, if a foundation has previously been created to manage and invest private gifts and donations on behalf of the university, otherwise by the university itself. Funds transferred to a university for the Endowment Match Program shall not be managed or invested by an independent board or foundation separate from the foundation previously created to manage and invest funds on behalf of the university. Only the

COUNCIL ON POSTSECONDARY EDUCATION

investment earnings from the endowment created or expanded with funds from the Research Challenge Trust Fund and the required matching funds may be expended.

(c) Upon making an award to a university under the Research Capital Match Program in accordance with subsection (9) of this section, the Council shall transfer the funds from the Research Challenge Trust Fund Account to the university."

"Regional University Excellence Trust Fund: (a) The proceeds of the \$10,000,000 authorized in Part II, Capital Projects Budget, of this Act for the Regional University Excellence Trust Fund, shall be deposited in Regional University Trust Fund accounts for each institution as provided in KRS 164.7919(1)(a) and (b) and invested at the direction of the Council on Postsecondary Education until such time as the council receives a certification from the President of Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, or Western Kentucky University stating that a formal commitment has been secured by the university to provide the required matching funds.

(b) Upon receipt of the certification of the matching fund commitment, the council shall transfer the endowment funds from the account to the university for management and investment by the university foundation, if a foundation has been previously created to manage and invest private gifts and donations on behalf of the university, otherwise by the university itself. Funds transferred to a university for the Regional University Excellence Trust Fund Program shall not be managed or invested by an independent board or foundation separate from the foundation previously created to manage and invest funds on behalf of the university. Only the investment earnings from the endowments created or expanded with funds from the Regional University Excellence Trust Fund and the required matching funds may be expended.

(c) If 08 RS SB 157 is enacted and becomes law, then it is the General Assembly's intent that the "Regional University Excellence Trust Fund," as used in this Act, means the "Comprehensive University Excellence Trust Fund." *Note: SB 157 did pass, and was signed by the Governor on April 13, 2008.*

"Washington, D.C. Internship Program: Included in the above General Fund appropriation is \$100,000 in each fiscal year for scholarships to the Washington Center for Internships and Academic Seminars."

"Adult Education: Included in the above General Fund appropriation is \$23,526,000 in fiscal year 2008-2009 and \$23,526,000 in fiscal year 2009-2010 for the Kentucky Adult Education Funding Program."

"Contract Spaces: Included in the above General Fund appropriation is \$4,280,100 in fiscal year 2008-2009 and \$4,442,500 in fiscal year 2009-2010 for the Contract Spaces Program."

"Veterinary Medicine: If sufficient General Fund is not provided to fully fund 154 veterinary slots, the Council on Postsecondary

COUNCIL ON POSTSECONDARY EDUCATION

Education shall fully fund the 154 slots out of the Council's base budget."

"Tuition at a Public Postsecondary Institution: An institution within the postsecondary education system as defined in KRS 164.001(16) that provides in-state tuition for nonresident children of graduates of the institution may provide the same in-state tuition for nonresident siblings of graduates."

The General Assembly revises Part II, Capital Budget, by removing the language provisions relating to Vetoed General Fund Bond Projects, the Information Technology and Equipment Acquisitions Pool, and the Research Support/Lab Renovation and Equipment Pool.

The General Assembly revises Part II, Capital Budget, to include the Research Capital Match Program Pool of the Research Challenge Trust Fund in the list of areas for which projects costing over \$600,000 and equipment estimated to cost over \$200,000 and not line-itemized in the Capital Budget shall be reported to the Capital Projects and Bond Oversight Committee.

The General Assembly revises Part II, Capital Budget, J., by including the following language provisions:

"Lease-Purchase Agreements for Public Postsecondary Institutions: Where applicable, authorization for a lease-purchase capital project for a public postsecondary institution as set forth in Part II, Capital Projects Budget, of this Act is provided pursuant to KRS 45.763."

"Agency Bond-Funded Projects for Public Postsecondary Institutions: The governing board of a public postsecondary institution shall certify in writing prior to issuance of Agency Bonds as set forth in Part II, Capital Projects Budget, of this Act that the project: (a) Will generate sufficient funds to retire the bonded indebtedness and pay for ongoing operating expenses; or (b) Will not result in an increase in tuition. The governing board shall submit a copy of the certification to the President of the Council on Postsecondary

Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee."

"Capital Projects at a Regional or Comprehensive Institution: A regional or comprehensive public postsecondary institution may fund a capital project with Regional University Excellence Trust Fund Bond Funds provided under Part II, J., 1., 003., of this Act and with other matching funds, if the Board of Regents of the institution authorizes the use of the funds for that purpose. The institution shall report the project to the Council on Postsecondary Education and the Secretary of the Finance and Administration Cabinet, and to the Capital Projects and Bond Oversight Committee pursuant to KRS Chapter 45."

COUNCIL ON POSTSECONDARY EDUCATION

The General Assembly revises Part II, Capital Budget J., 1. by removing the following Council on Postsecondary Education General Fund supported Bond Fund projects in fiscal year 2008-2009:

Information Technology and Equipment Acquisitions Pool: \$10,000,000

Research Support/Lab Renovation and Equipment: \$6,000,000

The General Assembly revises Part II, Capital Budget, J., 1. by including the following language provision under the Capital Renewal and Maintenance Pool:

"Capital Renewal and Maintenance Pool: The Capital Renewal and Maintenance Pool provides funding for individual projects at Kentucky's public postsecondary institutions to upgrade and replace building systems and infrastructure in education and general facilities. The individual projects funded from this pool shall be submitted by the Council on Postsecondary Education to the Secretary of the Finance and Administration Cabinet from the project listings previously submitted by the institutions to the council. The council shall determine the allocation of the Capital Renewal and Maintenance Pool among the postsecondary education institutions and report that allocation to the Secretary of the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee."

The General Assembly makes the following corrections to entries provided in the Branch Budget section of this memorandum above from the Executive Branch supporting documents:

Technology Initiatives Trust Fund: Included in the General Fund appropriation is \$6,798,100 in each year of the biennium for the Technology Initiatives Trust Fund.

Science and Technology Trust Fund: Included in the above General Fund appropriation is \$8,16,800 in each year of the biennium for the Science and Technology Funding Program.

Regional Stewardship Funding Program: Included in the General Fund appropriation is \$1,500,000 in each year of the biennium for the Regional Stewardship Funding Program.

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 514, Section (1), amends House Bill 406/EN as follows:

COUNCIL ON POSTSECONDARY EDUCATION

"...On page 100, line 23, delete "59,089,800" and insert "59,466,800";

On page 102, line 2, delete "\$4,936,000" and insert "\$5,313,000";

On page 102, line 26, delete "The \$50,000,000" and insert "Included in the \$57,500,000";

On page 103, line 1, delete ", shall be used" and insert "is \$50,000,000";

On page 103, line 3, after "section" insert ", and \$7,500,000 for the University of Louisville to support translational research";

On page 103, after line 12, insert the following:

"(c) Translational research is research and related activities that have significant potential to address identified problems through the applied transfer of knowledge to improve the health and welfare of Kentuckians and by so doing increase the economic vitality of the Commonwealth. Notwithstanding KRS 164.7917(2), the University of Louisville shall utilize its Proof of Concept Grant Fund Review Process to identify the research projects qualified for investment of translational research funds and submit approved projects to the Council on Postsecondary Education. The Council on Postsecondary Education shall distribute funds appropriated for translational research in paragraph (a) of this subsection to the University of Louisville to support the approved projects. Notwithstanding KRS 164.7917(2), a translational research award under this subsection shall not be subject to a requirement for matching funds.";

On page 127, line 3, before the word "Heritage", insert "Research Capital Match Program Pool of the Research Challenge Trust Fund;";....

On page 144, line 14, delete "50,000,000" and insert "57,500,000" in lieu thereof...".

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K - Postsecondary Education**Capital Budget****Council on Postsecondary Education**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				21,700,000	21,700,000				
Bond Funds				89,927,000	81,427,000	(8,500,000)			
TOTAL CAPITAL				111,627,000	103,127,000	(8,500,000)			
II. CAPITAL PROJECTS									
1	Research Challenge Trust Fund								
PRJ415W5003									
Bond Funds				50,000,000	57,500,000	7,500,000			
Project Total				50,000,000	57,500,000	7,500,000			
2	Capital Renewal and Maintenance Pool								
PRJ415W5000									
Bond Funds				13,927,000	13,927,000				
Project Total				13,927,000	13,927,000				
3	Information Technology and Equipment Acquisitions Pool								
PRJ415W5001									
Bond Funds				10,000,000		(10,000,000)			
Project Total				10,000,000		(10,000,000)			
4	Regional University Excellence Trust Fund								
PRJ415W5004									
Bond Funds				10,000,000	10,000,000				
Project Total				10,000,000	10,000,000				
5	Research Support/Lab Renovation and Equipment								
PRJ415W5002									
Bond Funds				6,000,000		(6,000,000)			
Project Total				6,000,000		(6,000,000)			
6	KYVC/KYVL Statewide Licenses Pool Phase I								
PRJ415W1801									
Restricted Funds				4,000,000	4,000,000				
Project Total				4,000,000	4,000,000				

K - Postsecondary Education**Capital Budget****Council on Postsecondary Education**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7 Purchase KYVL Research Data Bases Phase I								
PRJ415W1795								
Restricted Funds			3,500,000	3,500,000				
Project Total			3,500,000	3,500,000				
8 Purchase P-20 Learning Object Repository Phase I								
PRJ415W1803								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
9 Purchase Longitudinal Postsecondary Education Data Warehouse Phase I								
PRJ415W1804								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
10 Complete Statewide Transfer System Phase II								
PRJ415W1802								
Restricted Funds			1,500,000	1,500,000				
Project Total			1,500,000	1,500,000				
11 Purchase KYVL Integrated Library System - Additional								
PRJ415W1796								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
12 Purchase Multi-Media Streaming System Phase I								
PRJ415W1794								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
13 Purchase Mobile Learning Infrastructure Phase I								
PRJ415W1805								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
14 Install Scholarly and Electronic Comm Repos Phase I								
PRJ415W1811								
Restricted Funds			750,000	750,000				
Project Total			750,000	750,000				

K - Postsecondary Education**Capital Budget****Council on Postsecondary Education**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
15 Purchase KYVL Portal - Statewide License Phase II								
PRJ415W1792								
Restricted Funds			600,000	600,000				
Project Total			600,000	600,000				
16 Purchase KYVL Interlibrary Loan System - Additional Reauthorization (\$700,000 Restricted Funds)								
PRJ415W1793								
Restricted Funds			550,000	550,000				
Project Total			550,000	550,000				
17 Expand GoHigher Portal								
PRJ415W1813								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
18 Upgrade Council on Postsecondary Education Technology Infrastructure Phase I								
PRJ415W1815								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
19 Expand UCAN System Statewide Phase I								
PRJ415W1814								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
20 Install Assistive Technology for Teaching Phase I								
PRJ415W1806								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
21 Purchase Statewide Lifelong Learning Portal Phase I								
PRJ415W1809								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
22 Purchase Adult Education Skill/Mobile								
PRJ415W1799								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				

K - Postsecondary Education**Capital Budget****Council on Postsecondary Education**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
23 Purchase KYVL Interactive Library Tools								
PRJ415W1808								
Restricted Funds			300,000	300,000				
Project Total			300,000	300,000				
24 Purchase Portable Training Labs								
PRJ415W1800								
Restricted Funds			300,000	300,000				
Project Total			300,000	300,000				
25 Purchase Interactive Television (ITV) System - Additional Reauthorization (\$800,000 Restricted Funds)								
PRJ415W1798								
Restricted Funds			200,000	200,000				
Project Total			200,000	200,000				
26 Install Web site ADA Compliance Restructuring Reauthorization (\$500,000 Restricted Funds)								
PRJ415W1797								
Restricted Funds								
Project Total								
27 Franklin County - Lease								
PRJ415W5005								
Restricted Funds								
Project Total								
TOTAL CAPITAL			111,627,000	103,127,000	(8,500,000)			

K - Postsecondary Education**Operating Budget****Kentucky Higher Education Assistance Authority**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	1,200,000	1,200,000		1,000,000	1,000,000		1,000,000	1,000,000	
General Fund	174,304,900	174,304,900		164,750,300	180,992,100	16,241,800	165,266,300	183,809,000	18,542,700
Restricted Funds	36,466,400	36,466,400		31,312,900	31,312,900		30,218,600	30,218,600	
Federal Funds	1,568,000	1,568,000		1,568,000	1,568,000		1,568,000	1,568,000	
Regular Total Funds	213,539,300	213,539,300		198,631,200	214,873,000	16,241,800	198,052,900	216,595,600	18,542,700
Use of Continuing	(45,900)	(45,900)							
TOTAL FUNDS	213,493,400	213,493,400		198,631,200	214,873,000	16,241,800	198,052,900	216,595,600	18,542,700

II. EXPENDITURE CATEGORY

Personnel Costs	14,124,600	14,124,600		14,351,900	14,351,900		14,813,200	14,813,200	
Operating Expenses	2,683,000	2,683,000		2,674,600	2,674,600		2,674,600	2,674,600	
Grants, Loans, Benefits	195,941,200	195,941,200		180,860,400	197,102,200	16,241,800	179,822,400	198,365,100	18,542,700
Debt Service	744,600	744,600		744,300	744,300		742,700	742,700	
TOTAL EXPENDITURES	213,493,400	213,493,400		198,631,200	214,873,000	16,241,800	198,052,900	216,595,600	18,542,700

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund (Tobacco)	1,200,000	1,200,000		1,000,000	1,000,000		1,000,000	1,000,000	
General Fund	174,304,900	174,304,900		164,750,300	164,750,300		165,266,300	165,266,300	
Restricted Funds	36,466,400	36,466,400		31,312,900	31,312,900		30,218,600	30,218,600	
Federal Funds	1,568,000	1,568,000		1,568,000	1,568,000		1,568,000	1,568,000	
Regular Total Funds	213,539,300	213,539,300		198,631,200	198,631,200		198,052,900	198,052,900	
Use of Continuing	(45,900)	(45,900)							
TOTAL BASE LEVEL	213,493,400	213,493,400		198,631,200	198,631,200		198,052,900	198,052,900	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				16,241,800	16,241,800		18,542,700	18,542,700	
TOTAL ADDITIONAL				16,241,800	16,241,800		18,542,700	18,542,700	

V. ADDITIONAL BUDGET ITEMS**1 GB Ky Educational Excellence Scholarship Program**

ABR075000007 Provides funding for the KEES program.

General Fund				15,391,800	15,391,800		17,692,700	17,692,700	
Project Total				15,391,800	15,391,800		17,692,700	17,692,700	

K - Postsecondary Education**Operating Budget****Kentucky Higher Education Assistance Authority**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 RRF Restricted Fund Replacement - Work Study								
ABR075000005 Provides state support for work-study program, previously provided through KHESLC-generated funds.								
General Fund				850,000	850,000		850,000	850,000
Project Total				850,000	850,000		850,000	850,000
TOTAL ADDITIONAL				16,241,800	16,241,800		18,542,700	18,542,700

TRANSFERS TO THE GENERAL FUND**Kentucky Higher Education Assistance Authority**

Expendable Trust Fund (KRS 164.7891(11))	876,900	876,900
Other Special Revenue Fund (KRS 164.7891(11))	483,900	483,900
TOTAL	1,360,800	1,360,800

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Osteopathic Medicine Scholarship Program Expendable Trust Fund administered by the Kentucky Higher Education Assistance Authority, KRS 164.7891(11), Restricted Funds of \$876,900 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Osteopathic Medicine Scholarship Other Special Revenue Fund administered by the Kentucky Higher Education Assistance Authority, KRS 164.7891(11), Restricted Funds of \$483,900 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"College Access Program: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$60,262,000 in fiscal year 2008-2009 and \$60,262,000 in fiscal year 2009-2010 for the College Access Program."

"Kentucky Tuition Grant Program: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$32,476,200 in fiscal year 2008-2009 and \$32,476,200 in fiscal year 2009-2010 for the Kentucky Tuition Grant Program."

"Teacher Scholarship Program: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$1,777,100 in fiscal year 2008-2009 and \$1,777,100 in fiscal year 2009-2010 for the Teacher Scholarship Program."

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

"Kentucky National Guard Tuition Assistance Program: Included in the above General Fund appropriation is \$2,390,500 in fiscal year 2008-2009 and \$2,906,500 in fiscal year 2009-2010 for the National Guard Tuition Assistance Program. Included in the above Restricted Funds appropriation is \$2,354,000 in fiscal year 2008-2009 and \$1,838,000 in fiscal year 2009-2010 for the Kentucky National Guard Tuition Assistance Program. Notwithstanding KRS 164.7891, all repayments and interest deposited into the Osteopathic Medicine Scholarship Program shall be transferred to the Kentucky National Guard Tuition Assistance Program."

"Kentucky Education Excellence Scholarships (KEES): Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$66,814,100 in fiscal year 2008-2009 and \$66,814,100 in fiscal year 2009-2010 for the Kentucky Educational Excellence Scholarships (KEES). Included in the above Restricted Funds appropriation is \$9,579,600 in fiscal year 2008-2009 and \$8,541,600 in fiscal year 2009-2010 for KEES. Pursuant to KRS 164.7879 and notwithstanding KRS 164.7885(5), the Kentucky Higher Education Assistance Authority shall adjust the scholarship and supplemental award amounts in consideration of the availability of the above appropriated funds."

The Executive Branch Budget supporting documents provide:

"Included in the General Fund for the College Access Program (CAP) is \$60,262,000 in fiscal year 2009 and in fiscal year 2010, \$60,262,000. Included in the federal funds for CAP is \$1,000,000 in each year of the 2008-2010 biennium."

"Included in the General Fund for the Kentucky Tuition Grant Program is \$32,476,200 in each fiscal year of the 2008-2010 biennium."

"The KEES program funding is \$76,393,700 in fiscal year 2009 and \$75,355,700 in fiscal year 2010. The lottery dedication statute is suspended so that need-based student financial aid programs are not reduced."

"Included in the General Fund for the Teacher Scholarship Program is \$1,777,100 in each fiscal year of the 2008-2010 biennium, notwithstanding the provisions of KRS 154A.130(4). Included in the restricted funds for the Teacher Scholarship Program is \$288,400 in each year of the 2008-2010 biennium."

"The Executive Budget includes funding for the National Tuition Assistance Program, \$4,744,500 in fiscal year 2008-2009 and \$4,744,500 in fiscal year 2009-2010."

"Included in the General Fund for the Osteopathic Medicine Scholarships is \$854,400 in each fiscal year from Coal Severance Tax revenues."

KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

"The Early Childhood Development Scholarship Program is funded with \$1,000,000 in each fiscal year from Tobacco Settlement Funds."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support for the Kentucky Educational Excellence Scholarship (KEES) Program by \$15,391,800 in fiscal year 2008-2009 and by \$17,692,700 in fiscal year 2009-2010, and amends the language provision relating to KEES to read as follows:

"Kentucky Education Excellence Scholarships (KEES): Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$82,205,900 in fiscal year 2008-2009 and \$84,506,800 in fiscal year 2009-2010 for the Kentucky Educational Excellence Scholarships (KEES). Included in the above Restricted Funds appropriation is \$9,579,600 in fiscal year 2008-2009 and \$8,541,600 in fiscal year 2009-2010 for KEES."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Work Study: Included in the above General Fund appropriation is \$850,000 in fiscal year 2008-2009 and \$850,000 in fiscal year 2009-2010 for the Work Study Program."

"Excess Lottery Revenues: Lottery revenues transferred to the Kentucky Higher Education Assistance Authority in excess

of the sum of the General Fund amounts set forth in subsections (1), (2), (3), (4), and (5) of this section shall be allocated in accordance with KRS 154A.130(4)(b) and Part III, 34., of this Act. If the amount allocated to the KEES program exceeds the amount needed to fully fund KEES at the statutory individual award amounts, all excess funds shall be transferred to the KEES Reserve Trust Fund."

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K - Postsecondary Education**Capital Budget****Kentucky Higher Education Student Loan Corporation**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Federal Funds		850,000	850,000
TOTAL CAPITAL		850,000	850,000

II. CAPITAL PROJECTS**1 Jefferson County - Lease**

PRJ075B5001

Federal Funds

Project Total**2 Upgrade Information Technology Systems**

PRJ075B5000

Federal Funds		850,000	850,000
Project Total		850,000	850,000

TOTAL CAPITAL		850,000	850,000
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K - Postsecondary Education**Operating Budget****Eastern Kentucky University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	77,837,400	77,837,400		70,264,500	77,245,100	6,980,600	70,284,300	77,999,500	7,715,200
Restricted Funds	129,181,500	129,181,500		134,387,500	134,387,500		142,755,500	142,755,500	
Federal Funds	79,650,000	79,650,000		84,429,000	84,429,000		89,494,700	89,494,700	
Regular Total Funds	286,668,900	286,668,900		289,081,000	296,061,600	6,980,600	302,534,500	310,249,700	7,715,200
Use of Continuing									
TOTAL FUNDS	286,668,900	286,668,900		289,081,000	296,061,600	6,980,600	302,534,500	310,249,700	7,715,200
II. EXPENDITURE CATEGORY									
Personnel Costs	156,514,000	156,514,000		157,691,300	157,691,300		164,553,900	164,553,900	
Operating Expenses	71,934,300	71,934,300		71,898,500	78,879,100	6,980,600	75,593,300	83,308,500	7,715,200
Grants, Loans, Benefits	52,728,300	52,728,300		53,171,400	53,171,400		55,645,900	55,645,900	
Debt Service	468,800	468,800		2,009,400	2,009,400		2,229,200	2,229,200	
Capital Outlay	5,023,500	5,023,500		4,310,400	4,310,400		4,512,200	4,512,200	
TOTAL EXPENDITURES	286,668,900	286,668,900		289,081,000	296,061,600	6,980,600	302,534,500	310,249,700	7,715,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	77,837,400	77,837,400		70,264,500	70,264,500		70,284,300	70,284,300	
Restricted Funds	129,181,500	129,181,500		134,387,500	134,387,500		142,755,500	142,755,500	
Federal Funds	79,650,000	79,650,000		84,429,000	84,429,000		89,494,700	89,494,700	
Regular Total Funds	286,668,900	286,668,900		289,081,000	289,081,000		302,534,500	302,534,500	
Use of Continuing									
TOTAL BASE LEVEL	286,668,900	286,668,900		289,081,000	289,081,000		302,534,500	302,534,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					6,980,600	6,980,600		7,715,200	7,715,200
TOTAL ADDITIONAL					6,980,600	6,980,600		7,715,200	7,715,200
V. ADDITIONAL BUDGET ITEMS									
1 NEW Restoration of Base									
ABR430U0001 Provides support for restoration of base funding.									
General Fund					6,980,600	6,980,600		7,715,200	7,715,200
Project Total					6,980,600	6,980,600		7,715,200	7,715,200
TOTAL ADDITIONAL					6,980,600	6,980,600		7,715,200	7,715,200

EASTERN KENTUCKY UNIVERSITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$2,009,400 in fiscal year 2008-2009 and \$2,029,200 in fiscal year 2009-2010 for debt service for previously issued bonds."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions as follows:

Relating to the authorization of \$28,100,000 Other Funds in fiscal year 2008-2009 for project 005. Construct Aramark Food Services Projects:

"Authorization: The above authorization is approved pursuant to KRS 45.763."

The Executive Branch Budget supporting documents provide:

"The Executive Budget includes \$471,000 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's Budget for one half-year's debt service for bond funded capital projects in Part II of the Executive Appropriations Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

EASTERN KENTUCKY UNIVERSITY

The General Assembly increases General Fund support for base funding by \$6,980,600 in fiscal year 2008-2009 and \$7,715,200 in fiscal year 2009-2010.

The General Assembly revises Part I, Operating Budget, by adding the following language provision:

"Community Operations Board: Included in the above General Fund appropriation is \$200,000 in fiscal year 2008-2009 and \$200,000 in fiscal year 2009-2010 to provide funds to the Community Operations Board for personnel and programmatic operations of the conferencing, meeting, and community areas, and the performing arts center located in Business/Technology Center, Phase II. The Business/Technology Center, Phase II shall be governed by the Community Operations Board. Members of the board shall serve without compensation and shall not be reimbursed for expenses incurred in performance of their duties. The board shall establish policies and procedures for board operations and for facility use. The board shall make all decisions regarding use of the Business/Technology Center, Phase II including the conferencing and community areas and the performing arts center and shall make all decisions regarding personnel and programmatic operations of the conferencing and community areas and the performing arts center. The board is attached to Eastern Kentucky University for administrative purposes and the university shall provide all facility maintenance and operations costs."

The General Assembly amends the language provision in Part II, Capital Budget, relating to the Construct Stratton Building Addition project to read as follows:

"(1) Program of Distinction: The above project will expand the Stratton Building to accommodate the needs of a Program of Distinction. Eastern Kentucky University may use Program of Distinction funds within its operating budget for the Restricted Funds authorization provided above.

(2) Sustainable Design and Construction: The above project shall be constructed observing sustainable design principles and construction methods, and shall utilize as many Leadership in Energy and Environment Design (LEED) concepts and approaches as are practicable."

The General Assembly amends Part II, Capital Budget, by changing authorization for EKU-UK Dairy Research Project (Meadowbrook Farm), from \$5,300,000 General Fund-supported Bond Funds to \$5,300,000 Agency Bonds in fiscal year 2008-2009.

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K - Postsecondary Education**Capital Budget****Eastern Kentucky University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				12,150,000	17,650,000	5,500,000	6,500,000	6,500,000	
Bond Funds				5,300,000		(5,300,000)			
Agency Bonds				31,000,000	36,300,000	5,300,000			
Other Funds				5,650,000	8,450,000	2,800,000	2,750,000	2,000,000	(750,000)
TOTAL CAPITAL				54,100,000	62,400,000	8,300,000	9,250,000	8,500,000	(750,000)
II. CAPITAL PROJECTS									
1	Construct New Student Housing								
PRJ430U1836									
Agency Bonds				21,000,000	21,000,000				
Project Total				21,000,000	21,000,000				
2	Miscellaneous Maintenance Pool								
PRJ430U1840									
Restricted Funds				5,000,000	5,000,000		5,000,000	5,000,000	
Project Total				5,000,000	5,000,000		5,000,000	5,000,000	
3	Renovate Residence Hall								
PRJ430U1820									
Agency Bonds				10,000,000	10,000,000				
Project Total				10,000,000	10,000,000				
4	EKU-UK Dairy Research Project (Meadowbrook Farm)								
PRJ430U1837									
Bond Funds				5,300,000		(5,300,000)			
Agency Bonds					5,300,000	5,300,000			
Project Total				5,300,000	5,300,000				
5	Construct Aramark Food Service Projects								
PRJ430U5001									
Other Funds				4,150,000	4,150,000				
Project Total				4,150,000	4,150,000				

K - Postsecondary Education**Capital Budget****Eastern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6 Upgrade Administrative Computing System								
PRJ430U1829								
Restricted Funds			1,650,000	1,650,000		1,500,000	1,500,000	
Project Total			1,650,000	1,650,000		1,500,000	1,500,000	
7 Purchase of Adjacent Property								
PRJ430U1831								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
8 Renovate Baseball Complex								
PRJ430U1842								
Other Funds						2,000,000	2,000,000	
Project Total						2,000,000	2,000,000	
9 Renovate Property								
PRJ430U1822								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
10 Renovate Women's Softball Complex								
PRJ430U1843								
Other Funds			1,500,000	1,500,000				
Project Total			1,500,000	1,500,000				
11 Construct E&G Life Safety Begley Elevator Reauthorization (\$750,000 Restricted Funds)								
PRJ430U1819								
Restricted Funds								
Project Total								
12 Library Studio for Academic Creativity - Additional Reauthorization (\$1,500,000 Restricted Funds)								
PRJ430U1838								
Other Funds				2,800,000	2,800,000	750,000		(750,000)
Project Total				2,800,000	2,800,000	750,000		(750,000)
13 Purchase Minor Projects Equipment								
PRJ430U1826								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				

K - Postsecondary Education**Capital Budget****Eastern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
14 Expand and Renovate Presnell Building Reauthorization (\$2,200,000 Restricted Funds)								
PRJ430U1824								
Restricted Funds								
Project Total								
15 Expand Indoor Tennis Facility Reauthorization (\$1,100,000 Restricted Funds)								
PRJ430U1825								
Restricted Funds								
Project Total								
16 Guaranteed Energy Savings Performance Contracts								
PRJ430U1823								
Other Funds								
Project Total								
17 Construct Stratton Building Addition								
PRJ430U5005								
Restricted Funds				5,500,000	5,500,000			
Project Total				5,500,000	5,500,000			
TOTAL CAPITAL			54,100,000	62,400,000	8,300,000	9,250,000	8,500,000	(750,000)

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K - Postsecondary Education**Operating Budget****Kentucky State University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	27,525,700	27,525,700		24,513,100	26,927,100	2,414,000	24,512,100	27,180,100	2,668,000
Restricted Funds	20,520,900	20,520,900		20,520,900	20,520,900		20,520,900	20,520,900	
Federal Funds	15,219,100	15,219,100		15,219,100	15,219,100		15,219,100	15,219,100	
Regular Total Funds	63,265,700	63,265,700		60,253,100	62,667,100	2,414,000	60,252,100	62,920,100	2,668,000
Use of Continuing									
TOTAL FUNDS	63,265,700	63,265,700		60,253,100	62,667,100	2,414,000	60,252,100	62,920,100	2,668,000
II. EXPENDITURE CATEGORY									
Personnel Costs	37,600,600	37,600,600		35,803,500	35,803,500		35,803,500	35,803,500	
Operating Expenses	15,490,600	15,490,600		14,686,900	17,100,900	2,414,000	14,687,900	17,355,900	2,668,000
Grants, Loans, Benefits	5,469,200	5,469,200		5,205,700	5,205,700		5,204,700	5,204,700	
Debt Service	1,405,100	1,405,100		1,422,800	1,422,800		1,421,800	1,421,800	
Capital Outlay	3,300,200	3,300,200		3,134,200	3,134,200		3,134,200	3,134,200	
TOTAL EXPENDITURES	63,265,700	63,265,700		60,253,100	62,667,100	2,414,000	60,252,100	62,920,100	2,668,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	27,525,700	27,525,700		24,513,100	24,513,100		24,512,100	24,512,100	
Restricted Funds	20,520,900	20,520,900		20,520,900	20,520,900		20,520,900	20,520,900	
Federal Funds	15,219,100	15,219,100		15,219,100	15,219,100		15,219,100	15,219,100	
Regular Total Funds	63,265,700	63,265,700		60,253,100	60,253,100		60,252,100	60,252,100	
Use of Continuing									
TOTAL BASE LEVEL	63,265,700	63,265,700		60,253,100	60,253,100		60,252,100	60,252,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					2,414,000	2,414,000		2,668,000	2,668,000
TOTAL ADDITIONAL					2,414,000	2,414,000		2,668,000	2,668,000
V. ADDITIONAL BUDGET ITEMS									
1 CONT Restoration of Base									
ABR435U0003 Provides support for restoration of base funding.									
General Fund					2,414,000	2,414,000		2,668,000	2,668,000
Project Total					2,414,000	2,414,000		2,668,000	2,668,000
TOTAL ADDITIONAL					2,414,000	2,414,000		2,668,000	2,668,000

KENTUCKY STATE UNIVERSITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$909,900 in fiscal year 2008-2009 and \$908,900 in fiscal year 2009-2010 for debt service for previously issued bonds."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions as follows:

Relating to the authorization of \$28,100,000 Other Funds in fiscal year 2008-2009 for project 001. Construct New Residence Hall:
"Authorization: The above authorization is approved pursuant to KRS 45.763."

The Executive Branch Budget supporting documents provide:

"The Executive Budget includes \$218,000 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's Budget for one half-year's debt service for a capital project in Part II of the Executive Appropriations Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support for base funding by \$2,414,000 in fiscal year 2008-2009 and \$2,668,000 in

KENTUCKY STATE UNIVERSITY

fiscal year 2009-2010.

The General Assembly amends Part II, Capital Budget, by changing authorization for the project, Expand and Renovate Betty White Nursing Building, from \$4,900,000 in General Fund-supported Bond Funds to \$4,900,000 Agency Bonds in fiscal year 2008-2009, and makes a title change to the project.

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K - Postsecondary Education**Capital Budget****Kentucky State University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				13,777,000	13,777,000		1,000,000	1,000,000	
Federal Funds				4,300,000	4,300,000		1,000,000	1,000,000	
Bond Funds				4,900,000		(4,900,000)			
Agency Bonds				7,000,000	11,900,000	4,900,000			
Other Funds				28,100,000	28,100,000				
TOTAL CAPITAL				58,077,000	58,077,000		2,000,000	2,000,000	
II. CAPITAL PROJECTS									
1	Construct New Residence Hall								
PRJ435U5002									
Other Funds				28,100,000	28,100,000				
Project Total				28,100,000	28,100,000				
2	Construct Parking Structure								
PRJ435U1848									
Agency Bonds				7,000,000	7,000,000				
Project Total				7,000,000	7,000,000				
3	Expand/Renovate, Construct, or Acquire Existing Structure for the Betty White Nursing Complex								
PRJ435U1847									
Bond Funds				4,900,000		(4,900,000)			
Agency Bonds					4,900,000	4,900,000			
Project Total				4,900,000	4,900,000				
4	Construct Aquaculture Academic Research Facility								
PRJ435U1850									
Federal Funds				4,300,000	4,300,000				
Project Total				4,300,000	4,300,000				
5	Capital Renewal and Maintenance Projects Pool								
PRJ435U1853									
Restricted Funds				4,162,000	4,162,000				
Project Total				4,162,000	4,162,000				

K - Postsecondary Education**Capital Budget****Kentucky State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6 Replace Boiler and Add Pollution Control								
PRJ435U1861								
Restricted Funds			2,516,000	2,516,000				
Project Total			2,516,000	2,516,000				
7 Acquire Land/Campus Master Plan								
PRJ435U1857								
Restricted Funds						1,000,000	1,000,000	
Federal Funds						1,000,000	1,000,000	
Project Total						2,000,000	2,000,000	
8 Roof Repair and Replacement Pool								
PRJ435U1856								
Restricted Funds			1,855,000	1,855,000				
Project Total			1,855,000	1,855,000				
9 Life Safety Upgrade Pool								
PRJ435U1852								
Restricted Funds			1,774,000	1,774,000				
Project Total			1,774,000	1,774,000				
10 Add New Chiller								
PRJ435U1846								
Restricted Funds			1,445,000	1,445,000				
Project Total			1,445,000	1,445,000				
11 Athletics Project Pool								
PRJ435U1854								
Restricted Funds			1,025,000	1,025,000				
Project Total			1,025,000	1,025,000				
12 Implement Emergency Notification System								
PRJ435U5001								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				

K - Postsecondary Education**Capital Budget****Kentucky State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
13 Upgrade On-line Security Reauthorization (\$1,500,000 Restricted Funds)								
PRJ435U1849								
Restricted Funds								
Project Total								
14 Guaranteed Energy Savings Performance Contracts								
PRJ435U1851								
Other Funds								
Project Total								
TOTAL CAPITAL			58,077,000	58,077,000		2,000,000	2,000,000	

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K - Postsecondary Education**Operating Budget****Morehead State University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	47,251,500	47,251,500		42,456,600	46,682,100	4,225,500	42,331,800	47,002,000	4,670,200
Restricted Funds	70,252,400	70,252,400		74,170,500	74,170,500		78,125,000	78,125,000	
Federal Funds	61,490,100	61,490,100		60,092,700	60,092,700		60,557,700	60,557,700	
Regular Total Funds	178,994,000	178,994,000		176,719,800	180,945,300	4,225,500	181,014,500	185,684,700	4,670,200
Use of Continuing									
TOTAL FUNDS	178,994,000	178,994,000		176,719,800	180,945,300	4,225,500	181,014,500	185,684,700	4,670,200
II. EXPENDITURE CATEGORY									
Personnel Costs	78,892,100	78,892,100		79,866,500	79,866,500		83,868,500	83,868,500	
Operating Expenses	28,964,800	28,964,800		27,785,400	32,010,900	4,225,500	27,822,100	32,492,300	4,670,200
Grants, Loans, Benefits	59,716,000	59,716,000		57,123,000	57,123,000		57,495,300	57,495,300	
Debt Service	4,641,400	4,641,400		5,286,500	5,286,500		5,161,700	5,161,700	
Capital Outlay	6,779,700	6,779,700		6,658,400	6,658,400		6,666,900	6,666,900	
TOTAL EXPENDITURES	178,994,000	178,994,000		176,719,800	180,945,300	4,225,500	181,014,500	185,684,700	4,670,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	47,251,500	47,251,500		42,456,600	42,456,600		42,331,800	42,331,800	
Restricted Funds	70,252,400	70,252,400		74,170,500	74,170,500		78,125,000	78,125,000	
Federal Funds	61,490,100	61,490,100		60,092,700	60,092,700		60,557,700	60,557,700	
Regular Total Funds	178,994,000	178,994,000		176,719,800	176,719,800		181,014,500	181,014,500	
Use of Continuing									
TOTAL BASE LEVEL	178,994,000	178,994,000		176,719,800	176,719,800		181,014,500	181,014,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					4,225,500	4,225,500		4,670,200	4,670,200
TOTAL ADDITIONAL					4,225,500	4,225,500		4,670,200	4,670,200
V. ADDITIONAL BUDGET ITEMS									
1 CONT Restoration of Base									
ABR440U0006 Provides support for restoration of base funding.									
General Fund					4,225,500	4,225,500		4,670,200	4,670,200
Project Total					4,225,500	4,225,500		4,670,200	4,670,200
TOTAL ADDITIONAL					4,225,500	4,225,500		4,670,200	4,670,200

MOREHEAD STATE UNIVERSITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$1,140,600 in fiscal year 2008-2009 and \$1,015,800 in fiscal year 2009-2010 for debt service for previously issued bonds."

The Executive Branch Budget supporting documents provide:

"The Executive Budget includes \$112,500 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's Budget for one half-year's debt service for bond funded capital projects in Part II of the Executive Appropriations Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support for base funding by \$4,225,500 in fiscal year 2008-2009 and \$4,670,200 in fiscal year 2009-2010.

The General Assembly amends Part II, Capital Budget, by changing authorization for the project, Construct Business Continuation Data Center, from \$2,500,000 General Fund-supported Bond Funds to \$2,500,000 Agency Bonds in fiscal year 2008-2009.

K - Postsecondary Education**Capital Budget****Morehead State University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				39,193,600	60,584,600	21,391,000			
Federal Funds				10,853,000	10,853,000				
Bond Funds	5,700,000	5,700,000		2,500,000		(2,500,000)			
Agency Bonds				68,674,000	51,813,000	(16,861,000)			
Other Funds				9,388,000	9,388,000				
TOTAL CAPITAL	5,700,000	5,700,000		130,608,600	132,638,600	2,030,000			
II. CAPITAL PROJECTS									
1	Construct Campus Recreation Center								
PRJ440U1882									
Agency Bonds				39,000,000	39,000,000				
Project Total				39,000,000	39,000,000				
2	Construct Athletic Administration and Sports Performance Building								
PRJ440U1884									
Restricted Funds				19,201,000	19,201,000				
Other Funds				4,388,000	4,388,000				
Project Total				23,589,000	23,589,000				
3	Construct Morehead/Rowan County Public Safety Complex								
PRJ440U1878									
Federal Funds				10,853,000	10,853,000				
Project Total				10,853,000	10,853,000				
4	Replace Power Plant Pollution Control System and Boiler Tube								
PRJ440U2341									
Bond Funds	5,700,000	5,700,000							
Project Total	5,700,000	5,700,000							
5	Renovate Mignon Tower Residence Hall								
PRJ440U1891									
Agency Bonds				5,682,000	5,682,000				
Project Total				5,682,000	5,682,000				

K - Postsecondary Education**Capital Budget****Morehead State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6 Construct Center for the Performing Arts								
PRJ440U1892								
Other Funds			5,000,000	5,000,000				
Project Total			5,000,000	5,000,000				
7 Renovate Alumni Tower Residence Hall								
PRJ440U1890								
Agency Bonds			4,631,000	4,631,000				
Project Total			4,631,000	4,631,000				
8 Capital Renewal and Maintenance Pool - E&G								
PRJ440U1880								
Restricted Funds			4,586,500	4,586,500				
Project Total			4,586,500	4,586,500				
9 Purchase Equipment for Center for Health, Education, and Research - Additional Reauthorization (\$24,500,000 Bond Funds and \$1,500,000 Federal Funds)								
PRJ440U1885								
Restricted Funds			3,666,000	3,666,000				
Project Total			3,666,000	3,666,000				
10 Construct Business Continuance Datacenter								
PRJ440U5001								
Bond Funds			2,500,000		(2,500,000)			
Agency Bonds				2,500,000	2,500,000			
Project Total			2,500,000	2,500,000				
11 Purchase Instructional Tech Initiatives								
PRJ440U1897								
Restricted Funds			2,177,100	2,177,100				
Project Total			2,177,100	2,177,100				
12 Acquire Land Related to Master Plan								
PRJ440U1870								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				

K - Postsecondary Education**Capital Budget****Morehead State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
13 Construct Honors College Facility								
PRJ440U1896								
Restricted Funds			1,733,000	1,733,000				
Project Total			1,733,000	1,733,000				
14 Reconstruct Central Campus - Additional Reauthorization (\$780,000 Restricted Funds)								
PRJ440U1868								
Restricted Funds			1,720,000	1,720,000				
Project Total			1,720,000	1,720,000				
15 Plan and Design Library Facility								
PRJ440U1887								
Restricted Funds			1,350,000	1,350,000				
Project Total			1,350,000	1,350,000				
16 Upgrade and Expand Distance Learning - Additional Reauthorization (\$1,500,000 Restricted Funds)								
PRJ440U1877								
Restricted Funds			750,000	750,000				
Project Total			750,000	750,000				
17 Purchase Bus								
PRJ440U1872								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
18 Purchase Equipment for Molecular Biology Lab - Additional Reauthorization (\$474,000 Restricted Funds)								
PRJ440U1889								
Restricted Funds			430,000	430,000				
Project Total			430,000	430,000				
19 Expand Life Safety Claypool - Young Building - Additional Reauthorization (\$600,000 Restricted Funds)								
PRJ440U1863								
Restricted Funds			400,000	400,000				
Project Total			400,000	400,000				
20 Renovate Button Auditorium - Additional Reauthorization (\$3,000,000 Restricted Funds)								
PRJ440U1867								
Restricted Funds			350,000	350,000				
Project Total			350,000	350,000				

K - Postsecondary Education**Capital Budget****Morehead State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
21 Enhance Library Automation Resources - Additional Reauthorization (\$670,000 Restricted Funds)								
PRJ440U1874								
Restricted Funds			330,000	330,000				
Project Total			330,000	330,000				
22 Upgrade Administrative Office Systems Reauthorization (\$2,500,000 Restricted Funds)								
PRJ440U1876								
Restricted Funds								
Project Total								
23 Comply with ADA - E&G Reauthorization (\$1,700,000 Restricted Funds)								
PRJ440U1864								
Restricted Funds								
Project Total								
24 Enhance Network/Infrastructure Resources Reauthorization (\$4,750,000 Restricted Funds)								
PRJ440U1873								
Restricted Funds								
Project Total								
25 Construct Space Science Center Star Theatre and Clean Room								
PRJ440U1894								
Restricted Funds				9,641,000	9,641,000			
Project Total				9,641,000	9,641,000			
26 Construct Plant Facilities								
PRJ440U1869								
Restricted Funds				6,750,000	6,750,000			
Project Total				6,750,000	6,750,000			
27 Upgrade Instructional PCs/LANS/Peripherals								
PRJ440U1875								
Restricted Funds				5,000,000	5,000,000			
Project Total				5,000,000	5,000,000			
28 Capital Renewal and Maintenance Pool - Auxiliary								
PRJ440U1879								
Agency Bonds			1,383,000		(1,383,000)			
Project Total			1,383,000		(1,383,000)			

K - Postsecondary Education**Capital Budget****Morehead State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010			
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
29	Comply with ADA - Auxiliary								
PRJ440U1865									
Agency Bonds				2,727,000		(2,727,000)			
Project Total				2,727,000		(2,727,000)			
30	Construct Food Services Facility in Housing Complex								
PRJ440U1895									
Agency Bonds				8,251,000		(8,251,000)			
Project Total				8,251,000		(8,251,000)			
31	Construct Parking Structure								
PRJ440U1871									
Agency Bonds				7,000,000		(7,000,000)			
Project Total				7,000,000		(7,000,000)			
TOTAL CAPITAL									
	5,700,000	5,700,000		130,608,600	132,638,600	2,030,000			

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K - Postsecondary Education**Operating Budget****Murray State University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	54,386,600	54,386,600		48,030,900	52,943,200	4,912,300	48,030,900	53,460,200	5,429,300
Restricted Funds	82,134,500	82,134,500		82,134,500	88,589,400	6,454,900	82,134,500	92,929,200	10,794,700
Federal Funds	12,302,000	12,302,000		12,302,000	12,542,800	240,800	12,302,000	12,934,400	632,400
Regular Total Funds	148,823,100	148,823,100		142,467,400	154,075,400	11,608,000	142,467,400	159,323,800	16,856,400
Use of Continuing									
TOTAL FUNDS	148,823,100	148,823,100		142,467,400	154,075,400	11,608,000	142,467,400	159,323,800	16,856,400
II. EXPENDITURE CATEGORY									
Personnel Costs	96,153,000	96,153,000		91,845,900	100,486,700	8,640,800	91,845,900	103,573,400	11,727,500
Operating Expenses	40,531,900	40,531,900		38,936,700	40,962,500	2,025,800	38,942,600	42,794,600	3,852,000
Grants, Loans, Benefits	6,904,700	6,904,700		6,596,600	7,217,200	620,600	6,596,600	7,438,900	842,300
Debt Service	1,678,500	1,678,500		1,678,500	1,678,500		1,678,500	1,678,500	
Capital Outlay	3,555,000	3,555,000		3,409,700	3,730,500	320,800	3,403,800	3,838,400	434,600
TOTAL EXPENDITURES	148,823,100	148,823,100		142,467,400	154,075,400	11,608,000	142,467,400	159,323,800	16,856,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	54,386,600	54,386,600		48,030,900	48,030,900		48,030,900	48,030,900	
Restricted Funds	82,134,500	82,134,500		82,134,500	88,589,400	6,454,900	82,134,500	92,929,200	10,794,700
Federal Funds	12,302,000	12,302,000		12,302,000	12,542,800	240,800	12,302,000	12,934,400	632,400
Regular Total Funds	148,823,100	148,823,100		142,467,400	149,163,100	6,695,700	142,467,400	153,894,500	11,427,100
Use of Continuing									
TOTAL BASE LEVEL	148,823,100	148,823,100		142,467,400	149,163,100	6,695,700	142,467,400	153,894,500	11,427,100
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					4,912,300	4,912,300		5,429,300	5,429,300
TOTAL ADDITIONAL					4,912,300	4,912,300		5,429,300	5,429,300
V. ADDITIONAL BUDGET ITEMS									
1 CONT Restoration of Base									
ABR445U0006 Provides support for restoration of base funding.									
General Fund					4,912,300	4,912,300		5,429,300	5,429,300
Project Total					4,912,300	4,912,300		5,429,300	5,429,300
TOTAL ADDITIONAL					4,912,300	4,912,300		5,429,300	5,429,300

MURRAY STATE UNIVERSITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions as follows:

"Purpose of Funds: The funds appropriated for the Construct New Science Complex - Phase III in 2006 Ky. Acts ch. 252, Part II, K., 6., 024, may be used for the chemistry building and the physics building."

Relating to the authorization of \$17,900,000 Other Funds in fiscal year 2008-2009 for project 001. Construct College Courts Housing:
"Authorization: The above authorization is approved pursuant to KRS 45.763."

Relating to the authorization of \$6,050,000 Other Funds in fiscal year 2008-2009 for project 007. Construct Electrical Generation Plant:

"Authorization: The above authorization is approved pursuant to KRS 45.763."

Relating to the authorization of \$518,000 Other Funds in fiscal year 2008-2009 for project 017. Lease-Purchase of Fleet Vehicles:
"Authorization: The above authorization is approved pursuant to KRS 45.763."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support for base funding by \$4,912,300 in fiscal year 2008-2009 and \$5,429,300 in

MURRAY STATE UNIVERSITY

fiscal year 2009-2010.

The General Assembly amends Part II, Capital Budget, language provision relating to the purpose of previously authorized funds to read:

"Purpose of Funds: The funds appropriated for the Construct New Science Complex - Phase III in 2006 Ky. Acts ch. 252, Part II, K., 6., 024., may be used for the chemistry building, the engineering/physics building, and to replace Murray State University reserves that have previously been expended on the project in an amount not to exceed \$2,250,000."

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K - Postsecondary Education**Capital Budget****Murray State University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				21,809,000	21,809,000				
Agency Bonds				48,428,000	25,145,000	(23,283,000)			
Other Funds				24,468,000	24,468,000				
TOTAL CAPITAL				94,705,000	71,422,000	(23,283,000)			
II. CAPITAL PROJECTS									
1	Construct College Courts Housing								
PRJ445U5002									
Other Funds				17,900,000	17,900,000				
Project Total				17,900,000	17,900,000				
2	Replace Franklin Hall								
PRJ445U1901									
Agency Bonds				15,000,000	15,000,000				
Project Total				15,000,000	15,000,000				
3	Complete Capital Renewal - E&G Pool < \$600,000								
PRJ445U1908									
Restricted Funds				14,559,000	14,559,000				
Project Total				14,559,000	14,559,000				
4	Complete Capital Renewal - H&D Pool < \$600,000								
PRJ445U1909									
Agency Bonds				7,617,000	7,617,000				
Project Total				7,617,000	7,617,000				
5	Construct Electrical Generation Plant								
PRJ445U1913									
Other Funds				6,050,000	6,050,000				
Project Total				6,050,000	6,050,000				
6	Chemistry Instructional & Research Instruments								
PRJ445U1916									
Restricted Funds				2,450,000	2,450,000				
Project Total				2,450,000	2,450,000				

K - Postsecondary Education**Capital Budget****Murray State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7 College of Science Instructional/Research Equipment								
PRJ445U1903								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
8 New Residential College - Richmond Hall - Additional Reauthorization (\$13,077,000 Agency Bonds)								
PRJ445U1898								
Agency Bonds			1,923,000	1,923,000				
Project Total			1,923,000	1,923,000				
9 Complete Business and Research Center Tenant Space								
PRJ445U1918								
Restricted Funds			1,800,000	1,800,000				
Project Total			1,800,000	1,800,000				
10 Acquire Land								
PRJ445U5000								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
11 Renovate Buildings - H&D Pool < \$600,000								
PRJ445U1911								
Agency Bonds			605,000	605,000				
Project Total			605,000	605,000				
12 Lease-Purchase of Fleet Vehicles								
PRJ445U1919								
Other Funds			518,000	518,000				
Project Total			518,000	518,000				
13 Guaranteed Energy Savings Performance Contracts								
PRJ445U1902								
Other Funds								
Project Total								
14 Abate Asbestos - H&D Pool								
PRJ445U1907								
Agency Bonds			1,423,000		(1,423,000)			
Project Total			1,423,000		(1,423,000)			

K - Postsecondary Education**Capital Budget****Murray State University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
15 Complete ADA Compliance - H&D Pool < \$600,000								
PRJ445U1906								
Agency Bonds			744,000		(744,000)			
Project Total			744,000		(744,000)			
16 Complete Life Safety Projects H&D Pool < \$600,000								
PRJ445U1910								
Agency Bonds			388,000		(388,000)			
Project Total			388,000		(388,000)			
17 Renovate Curris Center T'Room and Food Service Equipment								
PRJ445U1905								
Agency Bonds			908,000		(908,000)			
Project Total			908,000		(908,000)			
18 Renovate Regents Hall								
PRJ445U2335								
Agency Bonds			10,220,000		(10,220,000)			
Project Total			10,220,000		(10,220,000)			
19 Renovate White Hall								
PRJ445U2334								
Agency Bonds			9,600,000		(9,600,000)			
Project Total			9,600,000		(9,600,000)			
TOTAL CAPITAL			94,705,000	71,422,000	(23,283,000)			

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K - Postsecondary Education**Operating Budget****Northern Kentucky University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	53,677,000	53,677,000		50,068,200	54,922,000	4,853,800	50,077,700	55,442,300	5,364,600
Restricted Funds	130,338,800	130,338,800		130,338,800	145,519,600	15,180,800	130,338,800	157,370,300	27,031,500
Federal Funds	14,331,200	14,331,200		14,331,200	15,831,200	1,500,000	14,331,200	18,431,200	4,100,000
Regular Total Funds	198,347,000	198,347,000		194,738,200	216,272,800	21,534,600	194,747,700	231,243,800	36,496,100
Use of Continuing									
TOTAL FUNDS	198,347,000	198,347,000		194,738,200	216,272,800	21,534,600	194,747,700	231,243,800	36,496,100
II. EXPENDITURE CATEGORY									
Personnel Costs	115,951,200	115,951,200		112,251,500	126,339,500	14,088,000	112,251,500	135,132,600	22,881,100
Operating Expenses	42,095,600	42,095,600		40,854,300	44,363,700	3,509,400	40,854,300	48,074,800	7,220,500
Grants, Loans, Benefits	25,265,400	25,265,400		24,449,800	27,518,400	3,068,600	24,449,800	29,433,600	4,983,800
Debt Service	7,883,700	7,883,700		10,261,700	10,261,700		10,271,200	10,271,200	
Capital Outlay	7,151,100	7,151,100		6,920,900	7,789,500	868,600	6,920,900	8,331,600	1,410,700
TOTAL EXPENDITURES	198,347,000	198,347,000		194,738,200	216,272,800	21,534,600	194,747,700	231,243,800	36,496,100
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	53,677,000	53,677,000		50,068,200	50,068,200		50,077,700	50,077,700	
Restricted Funds	130,338,800	130,338,800		130,338,800	145,519,600	15,180,800	130,338,800	157,370,300	27,031,500
Federal Funds	14,331,200	14,331,200		14,331,200	15,831,200	1,500,000	14,331,200	18,431,200	4,100,000
Regular Total Funds	198,347,000	198,347,000		194,738,200	211,419,000	16,680,800	194,747,700	225,879,200	31,131,500
Use of Continuing									
TOTAL BASE LEVEL	198,347,000	198,347,000		194,738,200	211,419,000	16,680,800	194,747,700	225,879,200	31,131,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					4,853,800	4,853,800		5,364,600	5,364,600
TOTAL ADDITIONAL					4,853,800	4,853,800		5,364,600	5,364,600
V. ADDITIONAL BUDGET ITEMS									
1 CONT Restoration of Base									
ABR450U0003 Provides support for restoration of base funding.									
General Fund					4,853,800	4,853,800		5,364,600	5,364,600
Project Total					4,853,800	4,853,800		5,364,600	5,364,600
TOTAL ADDITIONAL					4,853,800	4,853,800		5,364,600	5,364,600

NORTHERN KENTUCKY UNIVERSITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$2,608,500 in fiscal year 2008-2009 and \$2,618,000 in fiscal year 2009-2010 for debt service for previously issued bonds."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly increases General Fund support for base funding by \$4,853,800 in fiscal year 2008-2009 and \$5,364,600 in fiscal year 2009-2010.

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				49,858,000	22,788,000	(27,070,000)			
Federal Funds				5,000,000	5,500,000	500,000			
Agency Bonds	23,500,000	23,500,000		48,500,000	78,150,000	29,650,000			
Other Funds		10,800,000	10,800,000	25,900,000	60,050,000	34,150,000			
TOTAL CAPITAL	23,500,000	34,300,000	10,800,000	129,258,000	166,488,000	37,230,000			
II. CAPITAL PROJECTS									
1	Acquire and Renovate Residence Halls								
PRJ450U1926									
Agency Bonds	23,500,000	23,500,000							
Project Total	23,500,000	23,500,000							
2	Construct Center for Informatics - Additional Reauthorization (\$35,500,000 Bond Funds)								
PRJ450U1949									
Federal Funds				5,000,000	5,500,000	500,000			
Other Funds				10,000,000	10,000,000				
Project Total				15,000,000	15,500,000	500,000			
3	Acquire Land/Master Plan - Additional Reauthorization (\$6,000,000 Restricted Funds)								
PRJ450U1922									
Restricted Funds				12,000,000		(12,000,000)			
Other Funds					12,000,000	12,000,000			
Project Total				12,000,000	12,000,000				
4	Construct New Baseball Stadium								
PRJ450U1947									
Other Funds				8,400,000	8,400,000				
Project Total				8,400,000	8,400,000				
5	Renew/Expand Norse Commons								
PRJ450U1957									
Agency Bonds				7,000,000	7,000,000				
Project Total				7,000,000	7,000,000				

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6 Construct Soccer Stadium - Additional Reauthorization (\$5,500,000 Other Funds)								
PRJ450U1941								
Other Funds			6,500,000	2,000,000	(4,500,000)			
Project Total			6,500,000	2,000,000	(4,500,000)			
7 Construct Track and Field Stadium - Additional Reauthorization (\$5,500,000 Other Funds)								
PRJ450U1945								
Other Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
8 Renew Underground Electrical Infrastructure - Additional Reauthorization (\$4,800,000 Restricted Funds)								
PRJ450U1929								
Restricted Funds			5,400,000	600,000	(4,800,000)			
Project Total			5,400,000	600,000	(4,800,000)			
9 Repair Structural Floor Heaving/E&G Buildings - Additional Reauthorization (\$4,000,000 Restricted Funds)								
PRJ450U1930								
Restricted Funds			4,800,000	800,000	(4,000,000)			
Project Total			4,800,000	800,000	(4,000,000)			
10 Renew E&G Fire Alarm and Security Phase I - Additional Reauthorization (\$1,400,000 Restricted Funds)								
PRJ450U1953								
Restricted Funds			4,400,000	3,000,000	(1,400,000)			
Project Total			4,400,000	3,000,000	(1,400,000)			
11 E&G Minor Projects Pool								
PRJ450U1951								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
12 Initiate Phase II of Master Plan								
PRJ450U1920								
Restricted Funds			2,600,000	2,600,000				
Project Total			2,600,000	2,600,000				
13 Housing/Minor Projects Pool								
PRJ450U1952								
Restricted Funds			2,200,000	2,200,000				
Project Total			2,200,000	2,200,000				

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
14 Renew/Renovate University Center Phase I - Additional Reauthorization (\$600,000 Restricted Funds)								
PRJ450U1923								
Restricted Funds			2,000,000	1,400,000	(600,000)			
Project Total			2,000,000	1,400,000	(600,000)			
15 Enhance Softball Field								
PRJ450U1944								
Restricted Funds			1,300,000	1,300,000				
Project Total			1,300,000	1,300,000				
16 Construct Central Plaza Phase II - Additional Reauthorization (\$4,900,000 Restricted Funds)								
PRJ450U1924								
Restricted Funds			1,000,000		(1,000,000)			
Other Funds				1,000,000	1,000,000			
Project Total			1,000,000	1,000,000				
17 Renew/Renovate Business Education Psychology Center Phase I								
PRJ450U1927								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
18 Lease-Purchase Emergency Communications Project								
PRJ450U5001								
Restricted Funds			1,000,000		(1,000,000)			
Other Funds	1,000,000	1,000,000						
Project Total	1,000,000	1,000,000	1,000,000		(1,000,000)			
19 Renew Elevators Landrum and Administrative Center - Additional Reauthorization (\$990,000 Restricted Funds)								
PRJ450U1938								
Restricted Funds			990,000		(990,000)			
Project Total			990,000		(990,000)			
20 Lease-Purchase Minor Instructional Equipment Pool								
PRJ450U1960								
Restricted Funds			988,000	988,000				
Project Total			988,000	988,000				

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
21 Replace Business Education Psychology Center Roof - Additional Reauthorization (\$680,000 Restricted Funds)								
PRJ450U1939								
Restricted Funds			770,000	90,000	(680,000)			
Project Total			770,000	90,000	(680,000)			
22 Restore Albright Health Center Roof - Additional Reauthorization (\$680,000 Restricted Funds)								
PRJ450U1940								
Restricted Funds			770,000	90,000	(680,000)			
Project Total			770,000	90,000	(680,000)			
23 Lease-Purchase Coach Bus								
PRJ450U1932								
Restricted Funds			690,000	690,000				
Project Total			690,000	690,000				
24 Lease-Purchase Mobile TV Production Unit								
PRJ450U1965								
Restricted Funds			650,000	650,000				
Project Total			650,000	650,000				
25 Improve Customer Service Systems and Technology								
PRJ450U5004								
Restricted Funds			600,000	600,000				
Project Total			600,000	600,000				
26 Construct Intramural Fields - Additional Reauthorization (\$1,900,000 Restricted Funds)								
PRJ450U1943								
Restricted Funds			400,000	400,000				
Project Total			400,000	400,000				
27 Lease-Purchase DNA Analyzer System								
PRJ450U1968								
Restricted Funds			390,000	390,000				
Project Total			390,000	390,000				
28 Lease-Purchase Mobile Science Lab								
PRJ450U1962								
Restricted Funds			320,000	320,000				
Project Total			320,000	320,000				

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
29 Lease-Purchase Large Format Color Press								
PRJ450U1936								
Restricted Funds			310,000	310,000				
Project Total			310,000	310,000				
30 Lease-Purchase Field Emission Microscope								
PRJ450U1964								
Restricted Funds			300,000	380,000	80,000			
Project Total			300,000	380,000	80,000			
31 Lease-Purchase ICP - Mass Spectrometer								
PRJ450U1956								
Restricted Funds			300,000	300,000				
Project Total			300,000	300,000				
32 Lease-Purchase Materials Strength Testing Equipment								
PRJ450U1963								
Restricted Funds			275,000	275,000				
Project Total			275,000	275,000				
33 Lease-Purchase FT - IR and Raman Microscope								
PRJ450U1959								
Restricted Funds			275,000	275,000				
Project Total			275,000	275,000				
34 Lease-Purchase Opto - Paramagnetic Oscillator								
PRJ450U1970								
Restricted Funds			250,000	250,000				
Project Total			250,000	250,000				
35 Lease-Purchase Direct Analysis Mass Spectrometer								
PRJ450U1969								
Restricted Funds			250,000	250,000				
Project Total			250,000	250,000				
36 Lease-Purchase Concrete Testing Equipment								
PRJ450U1958								
Restricted Funds			215,000	215,000				
Project Total			215,000	215,000				

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
37 Lease-Purchase Calorimetry Instrumentation								
PRJ450U1955								
Restricted Funds			215,000	215,000				
Project Total			215,000	215,000				
38 Lease-Purchase Nursing Lab Equipment								
PRJ450U1961								
Restricted Funds			200,000	200,000				
Project Total			200,000	200,000				
39 Enhance Information Technology Infrastructure Reauthorization (\$2,900,000 Restricted Funds)								
PRJ450U1934								
Restricted Funds								
Project Total								
40 Enhance Instructional Information Technology Reauthorization (\$3,800,000 Restricted Funds)								
PRJ450U1933								
Restricted Funds								
Project Total								
41 Design/Renovate Albright Health Center								
PRJ450U1928								
Other Funds				3,000,000	3,000,000			
Project Total				3,000,000	3,000,000			
42 Relocate Early Childcare Center - Additional Reauthorization (\$1,000,000 Restricted Funds)								
PRJ450U1942								
Other Funds				3,000,000	3,000,000			
Project Total				3,000,000	3,000,000			
43 Replace Admin Application System Phase III - Additional Reauthorization (\$11,750,000 Restricted Funds)								
PRJ450U1966								
Other Funds			9,800,000	9,800,000				
Project Total			9,800,000	9,800,000				
44 Lease-Purchase Business Cont./Disaster Recovery								
PRJ450U5002								
Other Funds				2,800,000	2,800,000			
Project Total				2,800,000	2,800,000			

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
45 Lease-Purchase Comm. and Network Infrastructure								
PRJ450U5003								
Other Funds				2,000,000	2,000,000			
Project Total				2,000,000	2,000,000			
46 Construct New College of Business Building								
PRJ450U1950								
Other Funds				10,000,000	10,000,000			
Project Total				10,000,000	10,000,000			
47 Guaranteed Energy Savings Performance Contracts								
PRJ450U5006								
Other Funds								
Project Total								
48 Kenton County - METS Lease								
PRJ450U5005								
Restricted Funds								
Project Total								
49 Lease - Academic Space Highland Heights								
PRJ450U5000								
Restricted Funds								
Project Total								
50 Construct Parking Garage #4								
PRJ450U1954								
Agency Bonds			11,500,000		(11,500,000)			
Project Total			11,500,000		(11,500,000)			
51 Construct/Acquire New Residence Hall								
PRJ450U1946								
Agency Bonds			30,000,000		(30,000,000)			
Project Total			30,000,000		(30,000,000)			
52 Renovate Old Science Building								
PRJ450U5008								
Agency Bonds				27,500,000	27,500,000			
Project Total				27,500,000	27,500,000			

K - Postsecondary Education**Capital Budget****Northern Kentucky University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
53									
Construct Health Innovations Center									
PRJ450U5010									
Agency Bonds					43,650,000	43,650,000			
Other Funds					4,850,000	4,850,000			
Project Total					48,500,000	48,500,000			
TOTAL CAPITAL	23,500,000	34,300,000	10,800,000	129,258,000	166,488,000	37,230,000			

K - Postsecondary Education**Operating Budget****University of Kentucky**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)					250,000	250,000		250,000	250,000
General Fund	326,964,400	326,964,400		290,879,100	321,252,600	30,373,500	290,912,400	324,366,500	33,454,100
Restricted Funds	1,544,842,600	1,544,842,600		1,544,842,600	1,613,017,100	68,174,500	1,544,842,600	1,686,297,400	141,454,800
Federal Funds	190,328,700	190,328,700		190,328,700	199,845,100	9,516,400	190,328,700	209,837,400	19,508,700
Regular Total Funds	2,062,135,700	2,062,135,700		2,026,050,400	2,134,364,800	108,314,400	2,026,083,700	2,220,751,300	194,667,600
Use of Continuing									
TOTAL FUNDS	2,062,135,700	2,062,135,700		2,026,050,400	2,134,364,800	108,314,400	2,026,083,700	2,220,751,300	194,667,600
II. EXPENDITURE CATEGORY									
Personnel Costs	1,041,988,200	1,041,988,200		1,022,178,500	1,082,462,500	60,284,000	1,022,178,500	1,125,307,400	103,128,900
Operating Expenses	835,464,200	835,464,200		819,394,000	857,880,500	38,486,500	819,394,000	895,306,300	75,912,300
Grants, Loans, Benefits	87,030,900	87,030,900		85,307,300	91,330,000	6,022,700	85,307,300	94,905,700	9,598,400
Debt Service	36,661,600	36,661,600		39,365,200	39,365,200		39,398,500	39,398,500	
Capital Outlay	60,990,800	60,990,800		59,805,400	63,326,600	3,521,200	59,805,400	65,833,400	6,028,000
TOTAL EXPENDITURES	2,062,135,700	2,062,135,700		2,026,050,400	2,134,364,800	108,314,400	2,026,083,700	2,220,751,300	194,667,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	326,964,400	326,964,400		290,879,100	290,979,100	100,000	290,912,400	291,012,400	100,000
Restricted Funds	1,544,842,600	1,544,842,600		1,544,842,600	1,613,017,100	68,174,500	1,544,842,600	1,686,297,400	141,454,800
Federal Funds	190,328,700	190,328,700		190,328,700	199,845,100	9,516,400	190,328,700	209,837,400	19,508,700
Regular Total Funds	2,062,135,700	2,062,135,700		2,026,050,400	2,103,841,300	77,790,900	2,026,083,700	2,187,147,200	161,063,500
Use of Continuing									
TOTAL BASE LEVEL	2,062,135,700	2,062,135,700		2,026,050,400	2,103,841,300	77,790,900	2,026,083,700	2,187,147,200	161,063,500
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund (Tobacco)					250,000	250,000		250,000	250,000
General Fund					30,273,500	30,273,500		33,354,100	33,354,100
TOTAL ADDITIONAL					30,523,500	30,523,500		33,604,100	33,604,100
V. ADDITIONAL BUDGET ITEMS									
1	CONT	Restoration of Base							
ABR455U0007 Provides support for restoration of base funding.									
General Fund					29,273,500	29,273,500		32,354,100	32,354,100
Project Total					29,273,500	29,273,500		32,354,100	32,354,100

K - Postsecondary Education**Operating Budget****University of Kentucky**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 CONT Oenology and Viticulture Program								
ABR455U0008 Provide funds to maintain the current level of staffing and services.								
General Fund (Tobacco)				250,000	250,000		250,000	250,000
Project Total				250,000	250,000		250,000	250,000
3 CONT Robinson Scholars Program								
ABR455U0009 Scholarships and support services for first generation college students from eastern Kentucky.								
General Fund				1,000,000	1,000,000		1,000,000	1,000,000
Project Total				1,000,000	1,000,000		1,000,000	1,000,000
TOTAL ADDITIONAL				30,523,500	30,523,500		33,604,100	33,604,100

UNIVERSITY OF KENTUCKY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$4,649,100 in fiscal year 2008-2009 and \$4,682,400 in fiscal year 2009-2010 for debt service for previously issued bonds for the University of Kentucky and for Lexington Community College."

"Mining Engineering Scholarship Program: Included in the above General Fund appropriation is \$200,000 in each fiscal year for the Mining Engineering Scholarship from coal severance tax revenues of the General Fund."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions as follows:

Relating to the authorization of \$75,000,000 Other Funds in fiscal year 2008-2009 for project 002. Lease-Purchase New Housing:

"Authorization: The above authorization is approved pursuant to KRS 45.763."

Relating to the authorization of \$34,310,000 Other Funds in fiscal year 2008-2009 for project 008. Construct Parking Structure #9:

"Authorization: The above authorization is approved pursuant to KRS 45.763."

The 2008-2010 Executive Budget Recommendation provides the following policy language:

"The Executive Budget includes \$597,000 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's

UNIVERSITY OF KENTUCKY

Budget for one half-year's debt service for bond funded capital projects in Part II of the Executive Appropriations Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support for base funding by \$29,273,500 in fiscal year 2008-2009 and \$32,354,100 in fiscal year 2009-2010.

The General Assembly increases the General Fund appropriation for the Mining Engineering Scholarship program from \$200,000 to \$300,000 in each fiscal year from coal severance tax revenues of the General Fund.

The General Assembly provides General Fund support totaling \$1,000,000 in each fiscal year for the Robinson Scholars Program from the Local Government Economic Development Fund.

The General Assembly provides General Fund (Tobacco) support totaling \$250,000 in each fiscal year for the Oenology and Viticulture Program.

The General Assembly amends Part II, Capital Budget, by changing authorization for the project, Expand and Upgrade LDDC Phase II, from \$13,500,000 in General Fund-supported Bond Funds to \$20,000,000 in General Fund (Tobacco)-supported Bond Funds in fiscal year 2008-2009.

The General Assembly adds a Part II, Capital Budget, project as follows:

Renovate 4-H Camps - \$2,000,000 Bond Funds in fiscal year 2008-2009, with debt service supported by General Fund (Tobacco) funds in fiscal year 2009-2010.

K - Postsecondary Education**Capital Budget****University of Kentucky**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				1,224,386,000	1,244,386,000	20,000,000			
Federal Funds				1,100,000	1,100,000				
Bond Funds				13,500,000	22,000,000	8,500,000			
Agency Bonds				50,475,000	15,475,000	(35,000,000)			
Other Funds				193,226,000	193,226,000				
TOTAL CAPITAL				1,482,687,000	1,476,187,000	(6,500,000)			
II. CAPITAL PROJECTS									
1	Expand Patient Care Facility - Hospital Phase III								
PRJ455U2090									
Restricted Funds				250,000,000	250,000,000				
Project Total				250,000,000	250,000,000				
2	Lease-Purchase New Housing								
PRJ455U1986									
Other Funds				75,000,000	75,000,000				
Project Total				75,000,000	75,000,000				
3	Construct College of Medicine - Hospital Offices								
PRJ455U2092									
Restricted Funds				66,341,000	66,341,000				
Project Total				66,341,000	66,341,000				
4	Repair, Upgrade and Expand Central Plants I								
PRJ455U2020									
Restricted Funds				55,000,000	55,000,000				
Project Total				55,000,000	55,000,000				
5	Lease-Purchase Data Center								
PRJ455U2000									
Restricted Funds				40,000,000	40,000,000				
Project Total				40,000,000	40,000,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6 Upgrade Reynolds Building								
PRJ455U2061								
Restricted Funds			35,000,000	35,000,000				
Project Total			35,000,000	35,000,000				
7 Acquire Land								
PRJ455U1975								
Restricted Funds			35,000,000	35,000,000				
Project Total			35,000,000	35,000,000				
8 Construct Parking Structure #9								
PRJ455U1976								
Other Funds			34,310,000	34,310,000				
Project Total			34,310,000	34,310,000				
9 Upgrade, Renovate, Improve, or Expand Research Labs								
PRJ455U2068								
Restricted Funds			33,500,000	33,500,000				
Project Total			33,500,000	33,500,000				
10 Construct Baseball Stadium and Clubhouse								
PRJ455U2059								
Other Funds			31,900,000	31,900,000				
Project Total			31,900,000	31,900,000				
11 Capital Renewal Maintenance Pool								
PRJ455U2069								
Restricted Funds			30,000,000	30,000,000				
Project Total			30,000,000	30,000,000				
12 Research Equipment Replacement Program								
PRJ455U2002								
Restricted Funds			30,000,000	30,000,000				
Project Total			30,000,000	30,000,000				
13 Construct Cancer Treatment Facility - Hospital								
PRJ455U2081								
Restricted Funds			27,338,000	27,338,000				
Project Total			27,338,000	27,338,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
14 Repair, Upgrade, Improve Electrical Infrastructure								
PRJ455U2065								
Restricted Funds			25,000,000	25,000,000				
Project Total			25,000,000	25,000,000				
15 Repair, Upgrade, Improve Mechanical Infrastructure								
PRJ455U2066								
Restricted Funds			22,800,000	22,800,000				
Project Total			22,800,000	22,800,000				
16 Expand/Construct Parking Structure - Hospital								
PRJ455U2091								
Restricted Funds			20,149,000	20,149,000				
Project Total			20,149,000	20,149,000				
17 Repair, Upgrade, Improve Building Mechanical Systems								
PRJ455U2064								
Restricted Funds			20,000,000	20,000,000				
Project Total			20,000,000	20,000,000				
18 Lease-Purchase Digital Village Building 2								
PRJ455U1971								
Restricted Funds			20,000,000	20,000,000				
Project Total			20,000,000	20,000,000				
19 Repair, Upgrade, Improve Building Systems - Hospital								
PRJ455U2109								
Restricted Funds			20,000,000	20,000,000				
Project Total			20,000,000	20,000,000				
20 Expand/ Renovate Ambulatory Care Facility - Hospital								
PRJ455U2084								
Restricted Funds			20,000,000	20,000,000				
Project Total			20,000,000	20,000,000				
21 Expand/Renovate Kentucky Clinic - Hospital								
PRJ455U2093								
Restricted Funds			20,000,000	20,000,000				
Project Total			20,000,000	20,000,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
22 Lease-Purchase Pollution Controls								
PRJ455U2067								
Restricted Funds			19,530,000	19,530,000				
Project Total			19,530,000	19,530,000				
23 Expand CRMS and Raymond Civil Engineering Building								
PRJ455U2055								
Restricted Funds			18,550,000	18,550,000				
Project Total			18,550,000	18,550,000				
24 Construct Track and Field Facility								
PRJ455U2004								
Other Funds			17,666,000	17,666,000				
Project Total			17,666,000	17,666,000				
25 Expand Pence Hall								
PRJ455U1998								
Restricted Funds			16,000,000	16,000,000				
Project Total			16,000,000	16,000,000				
26 Construct/Purchase Good Samaritan Medical Office Building								
PRJ455U5001								
Restricted Funds			15,730,000	15,730,000				
Project Total			15,730,000	15,730,000				
27 Upgrade Clinical Services - Hospital								
PRJ455U2096								
Restricted Funds			15,000,000	15,000,000				
Project Total			15,000,000	15,000,000				
28 Construct/Renovate Imaging Services - Kentucky Clinic								
PRJ455U2089								
Restricted Funds			15,000,000	15,000,000				
Project Total			15,000,000	15,000,000				
29 Expand and Upgrade LDDC Phase II								
PRJ455U2006								
Bond Funds			13,500,000	20,000,000	6,500,000			
Project Total			13,500,000	20,000,000	6,500,000			

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
30 Construct Remote Cancer Clinic - Hospital								
PRJ455U2079								
Restricted Funds			12,880,000	12,880,000				
Project Total			12,880,000	12,880,000				
31 Construct Medical Center Physical Plant Building								
PRJ455U2017								
Restricted Funds			12,793,000	12,793,000				
Project Total			12,793,000	12,793,000				
32 Improve Life Safety Project Pool 1								
PRJ455U1973								
Restricted Funds			12,760,000	12,760,000				
Project Total			12,760,000	12,760,000				
33 Purchase PACS System Pool								
PRJ455U2102								
Restricted Funds			10,585,000	10,585,000				
Project Total			10,585,000	10,585,000				
34 Renovate/Upgrade Hospital Facilities								
PRJ455U2115								
Restricted Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				
35 Construct Equine Campus								
PRJ455U2037								
Other Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				
36 Lease-Purchase/ Upgrade Hospital IT Systems								
PRJ455U2116								
Restricted Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				
37 Lease-Purchase ERP Phase 3								
PRJ455U2054								
Restricted Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
38 Implement Land Use Plan - Hospital								
PRJ455U2070								
Restricted Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				
39 Sanitary Sewer Expansion/Underground Utilities Expansion and Replacement								
PRJ455U2022								
Agency Bonds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				
40 Expand Coldstream Research Campus								
PRJ455U1996								
Restricted Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				
41 Construct Multi-Purpose Room/Stadium Kitchen Facility								
PRJ455U2044								
Other Funds			8,000,000	8,000,000				
Project Total			8,000,000	8,000,000				
42 Renovate King Library South - 1962 Section								
PRJ455U1989								
Restricted Funds			8,000,000	8,000,000				
Project Total			8,000,000	8,000,000				
43 Relocate Greenhouses								
PRJ455U2034								
Restricted Funds			7,506,000	7,506,000				
Project Total			7,506,000	7,506,000				
44 Lease-Purchase Wireless/Cellular Infrastructure								
PRJ455U2051								
Restricted Funds			7,000,000	7,000,000				
Project Total			7,000,000	7,000,000				
45 Construct Library Depository Facility								
PRJ455U1988								
Restricted Funds			7,000,000	7,000,000				
Project Total			7,000,000	7,000,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
46 Lease-Purchase Hospital Dining Facilities and Equipment								
PRJ455U2333								
Restricted Funds			7,000,000	7,000,000				
Project Total			7,000,000	7,000,000				
47 Lease-Purchase High Performance Research Computers								
PRJ455U1977								
Restricted Funds			6,500,000	6,500,000				
Project Total			6,500,000	6,500,000				
48 Lease-Purchase UK/UofL/Frankfort Research Network								
PRJ455U1984								
Restricted Funds			6,000,000	6,000,000				
Project Total			6,000,000	6,000,000				
49 Expand and Renovate W. Kentucky Robinson Station								
PRJ455U2036								
Restricted Funds			6,000,000	6,000,000				
Project Total			6,000,000	6,000,000				
50 Design Student Center Expansion/Renovation								
PRJ455U1991								
Restricted Funds			6,000,000	6,000,000				
Project Total			6,000,000	6,000,000				
51 Expand CAER Laboratories								
PRJ455U1992								
Restricted Funds			5,000,000	5,000,000				
Project Total			5,000,000	5,000,000				
52 Purchase Clinical Enterprise Data Center Hardware Pool								
PRJ455U2107								
Restricted Funds			5,000,000	5,000,000				
Project Total			5,000,000	5,000,000				
53 Repair, Upgrade, Improve Building Shell Systems								
PRJ455U2019								
Restricted Funds			5,000,000	5,000,000				
Project Total			5,000,000	5,000,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
54 Renovate Slone Building, Phase I								
PRJ455U2045								
Restricted Funds			5,000,000	5,000,000				
Project Total			5,000,000	5,000,000				
55 Purchase Telemedicine/Virtual ICU								
PRJ455U2114								
Restricted Funds			5,000,000	5,000,000				
Project Total			5,000,000	5,000,000				
56 Construct Facilities Storage Building								
PRJ455U2021								
Restricted Funds			4,806,000	4,806,000				
Project Total			4,806,000	4,806,000				
57 Expand KGS Well Sample and Core Repository								
PRJ455U1974								
Restricted Funds			4,741,000	4,741,000				
Project Total			4,741,000	4,741,000				
58 Purchase Digital Medical Record Expansion								
PRJ455U2073								
Restricted Funds			4,640,000	4,640,000				
Project Total			4,640,000	4,640,000				
59 Purchase Patient System Enterprise								
PRJ455U2077								
Restricted Funds			4,640,000	4,640,000				
Project Total			4,640,000	4,640,000				
60 Convert Taylor Education Space to Offices and Classroom								
PRJ455U2046								
Restricted Funds			4,500,000	4,500,000				
Project Total			4,500,000	4,500,000				
61 Renovate Mineral Industries Building								
PRJ455U2025								
Restricted Funds			4,450,000	4,450,000				
Project Total			4,450,000	4,450,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
62 Upgrade Clinic Enterprises Network - Hospital Pool								
PRJ455U2088								
Restricted Funds			4,250,000	4,250,000				
Project Total			4,250,000	4,250,000				
63 Expand Ophthalmology Clinic - Hospital								
PRJ455U2095								
Restricted Funds			4,185,000	4,185,000				
Project Total			4,185,000	4,185,000				
64 Construct Facilities Support Building - Hospital								
PRJ455U2085								
Restricted Funds			4,000,000	4,000,000				
Project Total			4,000,000	4,000,000				
65 Renovate Memorial Coliseum Seating Area								
PRJ455U2043								
Other Funds			4,000,000	4,000,000				
Project Total			4,000,000	4,000,000				
66 Renovate Funkhouser Tower								
PRJ455U2053								
Restricted Funds			3,900,000	3,900,000				
Project Total			3,900,000	3,900,000				
67 Repair, Upgrade, Improve Building Electrical Systems								
PRJ455U2062								
Restricted Funds			3,745,000	3,745,000				
Project Total			3,745,000	3,745,000				
68 Upgrade Support Services - Hospital								
PRJ455U2071								
Restricted Funds			3,500,000	3,500,000				
Project Total			3,500,000	3,500,000				
69 Lease-Purchase Campus Infrastructure Upgrade								
PRJ455U2056								
Restricted Funds			3,500,000	3,500,000				
Project Total			3,500,000	3,500,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
70 Renovate Old Pharmacy Building for Biology, Design								
PRJ455U2031								
Restricted Funds			3,500,000	3,500,000				
Project Total			3,500,000	3,500,000				
71 Lease-Purchase Large Scale Computing								
PRJ455U1978								
Restricted Funds			3,500,000	3,500,000				
Project Total			3,500,000	3,500,000				
72 Lease-Purchase Data Center Hardware - Hospital Pool								
PRJ455U2103								
Restricted Funds			3,350,000	3,350,000				
Project Total			3,350,000	3,350,000				
73 Renovate Dentistry Clinic in Kentucky Clinic								
PRJ455U1985								
Restricted Funds			3,320,000	3,320,000				
Project Total			3,320,000	3,320,000				
74 Renovate/Expand DLAR Quarantine Facility Spindletop								
PRJ455U1997								
Restricted Funds			3,288,000	3,288,000				
Project Total			3,288,000	3,288,000				
75 Relocate and Expand Dentistry Faculty Practice								
PRJ455U2033								
Restricted Funds			3,100,000	3,100,000				
Project Total			3,100,000	3,100,000				
76 Renovate Nursing Building								
PRJ455U2029								
Restricted Funds			1,988,000	1,988,000				
Federal Funds			1,100,000	1,100,000				
Project Total			3,088,000	3,088,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
77 Construct Golf Practice Area								
PRJ455U2041								
Other Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
78 Renovate Dentistry Class Lab								
PRJ455U1999								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
79 Construct Cancer Education Facility - Hospital								
PRJ455U2078								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
80 Renovate Reynolds Building, Phase 1								
PRJ455U2049								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
81 Purchase Registration and Scheduling System								
PRJ455U2112								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
82 Purchase Upgrade - HIS Computing Facility								
PRJ455U2075								
Restricted Funds			2,900,000	2,900,000				
Project Total			2,900,000	2,900,000				
83 Renovate Central Computing Facility								
PRJ455U1981								
Restricted Funds			2,813,000	2,813,000				
Project Total			2,813,000	2,813,000				
84 Renovate Blazer Hall Cafeteria								
PRJ455U2001								
Agency Bonds			2,800,000	2,800,000				
Project Total			2,800,000	2,800,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
85 Construct Stadium Suite Addition								
PRJ455U2040								
Other Funds			2,750,000	2,750,000				
Project Total			2,750,000	2,750,000				
86 Purchase Telephone System Replacement Pool								
PRJ455U2104								
Restricted Funds			2,700,000	2,700,000				
Project Total			2,700,000	2,700,000				
87 Renovate Student Center Food Court								
PRJ455U2005								
Agency Bonds			2,675,000	2,675,000				
Project Total			2,675,000	2,675,000				
88 Repair, Upgrade, Improve Building Elevator Systems								
PRJ455U2063								
Restricted Funds			2,540,000	2,540,000				
Project Total			2,540,000	2,540,000				
89 Convert Hunt Morgan Space to Class Lab								
PRJ455U2030								
Restricted Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				
90 Renovate Teaching Space in the Chemistry/Physics Building								
PRJ455U2027								
Restricted Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				
91 Implement Medication Bar Coding System								
PRJ455U2086								
Restricted Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				
92 Renovate Diagnostic Treatment Services - Hospital								
PRJ455U2111								
Restricted Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				

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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
93 Lease-Purchase Data Repository System								
PRJ455U2097								
Restricted Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				
94 Lease-Purchase Data Center Infrastructure								
PRJ455U1980								
Restricted Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				
95 Repair Stadium Structure								
PRJ455U2039								
Other Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				
96 Renovate Parking Structure #3 - Hospital								
PRJ455U2094								
Restricted Funds			2,485,000	2,485,000				
Project Total			2,485,000	2,485,000				
97 Renovate Koinonia House								
PRJ455U1983								
Restricted Funds			2,371,000	2,371,000				
Project Total			2,371,000	2,371,000				
98 Upgrade Critical Care Facility - Hospital								
PRJ455U2072								
Restricted Funds			2,200,000	2,200,000				
Project Total			2,200,000	2,200,000				
99 Lease-Purchase Enterprise Storage System								
PRJ455U1979								
Restricted Funds			2,200,000	2,200,000				
Project Total			2,200,000	2,200,000				
100 Repair, Upgrade, Improve Civil/Site Infrastructure								
PRJ455U2018								
Restricted Funds			2,200,000	2,200,000				
Project Total			2,200,000	2,200,000				

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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
101 Renovate Vivarium in Central DLAR Facility Phase II								
PRJ455U2003								
Restricted Funds			2,176,000	2,176,000				
Project Total			2,176,000	2,176,000				
102 Renovate Space in McVey Hall								
PRJ455U2028								
Restricted Funds			2,150,000	2,150,000				
Project Total			2,150,000	2,150,000				
103 Construct Hall of Fame Plaza								
PRJ455U2042								
Other Funds			2,100,000	2,100,000				
Project Total			2,100,000	2,100,000				
104 Replace Radiology Information System								
PRJ455U2087								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
105 Construct Physicians Services Facilities - Hospital								
PRJ455U2080								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
106 Renovate Soccer Press Box/Seating Addition								
PRJ455U2038								
Other Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
107 Lease-Purchase Remote Site Fiber								
PRJ455U2057								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
108 Renovate Kitchen - Hospital								
PRJ455U2110								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				

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Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
109 Upgrade Surgical Services - Hospital								
PRJ455U2108								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
110 Purchase Dentistry Billing System Phase III								
PRJ455U2047								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
111 Lease-Purchase Data Storage Equipment and Software Pool								
PRJ455U2100								
Restricted Funds			1,950,000	1,950,000				
Project Total			1,950,000	1,950,000				
112 Lease-Purchase Data Warehouse/Infrastructure								
PRJ455U2050								
Restricted Funds			1,800,000	1,800,000				
Project Total			1,800,000	1,800,000				
113 Purchase Identity Management System								
PRJ455U2098								
Restricted Funds			1,750,000	1,750,000				
Project Total			1,750,000	1,750,000				
114 Lease-Purchase Campus Call Center System								
PRJ455U2052								
Restricted Funds			1,500,000	1,500,000				
Project Total			1,500,000	1,500,000				
115 Lease-Purchase Network Security Hardware								
PRJ455U1982								
Restricted Funds			1,500,000	1,500,000				
Project Total			1,500,000	1,500,000				
116 Purchase Radiofrequency Identification System								
PRJ455U2106								
Restricted Funds			1,500,000	1,500,000				
Project Total			1,500,000	1,500,000				

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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
117 Purchase Managed Care Enterprise								
PRJ455U2074								
Restricted Funds			1,160,000	1,160,000				
Project Total			1,160,000	1,160,000				
118 Purchase Upgraded Communication Infrastructure								
PRJ455U2048								
Restricted Funds			1,014,000	1,014,000				
Project Total			1,014,000	1,014,000				
119 Renovate Office Space in Funkhouser								
PRJ455U2032								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
120 Expand Clinical Enterprise Data Center Network Pool								
PRJ455U2101								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
121 Renovate Third Floor Little Library								
PRJ455U1987								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
122 Purchase Upgrade Integrated Library System								
PRJ455U1990								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
123 Renovate Teaching Space in the Funkhouser Building								
PRJ455U2035								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
124 Lease-Purchase UPS System								
PRJ455U1994								
Restricted Funds			941,000	941,000				
Project Total			941,000	941,000				

K - Postsecondary Education**Capital Budget****University of Kentucky**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
125 Lease-Purchase Mainframe Computer - Hospital								
PRJ455U2083								
Restricted Funds			800,000	800,000				
Project Total			800,000	800,000				
126 Purchase Upgrade for Servers								
PRJ455U2076								
Restricted Funds			800,000	800,000				
Project Total			800,000	800,000				
127 Handicapped Access Pool								
PRJ455U2023								
Restricted Funds			800,000	800,000				
Project Total			800,000	800,000				
128 Purchase Staff Scheduling System - Hospital								
PRJ455U2105								
Restricted Funds			750,000	750,000				
Project Total			750,000	750,000				
129 Purchase Document Scanning System								
PRJ455U2099								
Restricted Funds			700,000	700,000				
Project Total			700,000	700,000				
130 Purchase Paging Software - Hospital								
PRJ455U2113								
Restricted Funds			700,000	700,000				
Project Total			700,000	700,000				
131 Purchase Police Communications Equipment								
PRJ455U1995								
Restricted Funds			600,000	600,000				
Project Total			600,000	600,000				
132 Purchase Shelving for Storage Facility								
PRJ455U2008								
Restricted Funds			525,000	525,000				
Project Total			525,000	525,000				

K - Postsecondary Education**Capital Budget****University of Kentucky**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
133 Install Emergency Generator Computing Facility								
PRJ455U1993								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
134 Purchase Compact Shelving - Fine Arts Library								
PRJ455U2007								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
135 Purchase Digital Imaging Equipment								
PRJ455U2016								
Restricted Funds			311,000	311,000				
Project Total			311,000	311,000				
136 Purchase Electrospray LC Tandem Mass Spectrometer								
PRJ455U2011								
Restricted Funds			290,000	290,000				
Project Total			290,000	290,000				
137 Purchase 400 MHz NMR Spectrometer								
PRJ455U2010								
Restricted Funds			275,000	275,000				
Project Total			275,000	275,000				
138 Purchase Precision Machining System								
PRJ455U2014								
Restricted Funds			250,000	250,000				
Project Total			250,000	250,000				
139 Purchase Physical Chemistry Teaching Laboratory								
PRJ455U2012								
Restricted Funds			240,000	240,000				
Project Total			240,000	240,000				
140 Purchase Circular Dichroism Spectrometer								
PRJ455U2013								
Restricted Funds			210,000	210,000				
Project Total			210,000	210,000				

K - Postsecondary Education**Capital Budget****University of Kentucky**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
141 Upgrade Audio/Visual Equipment Guignol Theatre								
PRJ455U2015								
Restricted Funds			210,000	210,000				
Project Total			210,000	210,000				
142 Purchase Metabolic Instructional System								
PRJ455U2009								
Restricted Funds			210,000	210,000				
Project Total			210,000	210,000				
143 Guaranteed Energy Savings Performance Contracts								
PRJ455U2082								
Restricted Funds								
Project Total								
144 Lease Med College Off-Campus Clinic - Fayette County								
PRJ455U5020								
Restricted Funds								
Project Total								
145 Lease Health Affairs Office #2 - Fayette County								
PRJ455U5019								
Restricted Funds								
Project Total								
146 Lease - E-cavern								
PRJ455U5018								
Restricted Funds								
Project Total								
147 Lease Kentucky Utilities Building - Fayette County								
PRJ455U5017								
Restricted Funds								
Project Total								
148 Lease Administrative Office - Fayette County								
PRJ455U5016								
Restricted Funds								
Project Total								

K - Postsecondary Education**Capital Budget****University of Kentucky**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
149 Lease Blazer Parkway - Fayette County								
PRJ455U5015								
Restricted Funds								
Project Total								
150 Lease Med Center Off-Campus Facility #1 - Fayette County								
PRJ455U5014								
Restricted Funds								
Project Total								
151 Lease Med Center Grant Project #2 - Fayette County								
PRJ455U5013								
Restricted Funds								
Project Total								
152 Lease Med Center Grants Projects #1 - Fayette County								
PRJ455U5012								
Restricted Funds								
Project Total								
153 Lease Health Affairs Office #4 - Fayette County								
PRJ455U5011								
Restricted Funds								
Project Total								
154 Health Affairs Office Lease #3 - Fayette County								
PRJ455U5010								
Restricted Funds								
Project Total								
155 Lease Health Affairs Office - Fayette County								
PRJ455U5009								
Restricted Funds								
Project Total								
156 Lease Good Sam - Hospital - Fayette County								
PRJ455U5008								
Restricted Funds								
Project Total								

K - Postsecondary Education**Capital Budget****University of Kentucky**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
157 Lease Grants Projects #2 - Fayette County								
PRJ455U5007								
Restricted Funds								
Project Total								
158 Lease Off Campus #3 - Fayette County								
PRJ455U5006								
Restricted Funds								
Project Total								
159 Lease Off Campus #2 - Fayette County								
PRJ455U5005								
Restricted Funds								
Project Total								
160 Lease Off Campus #1 - Fayette County								
PRJ455U5004								
Restricted Funds								
Project Total								
161 Lease Rural Health Expansion - Hazard Perry County								
PRJ455U5003								
Restricted Funds								
Project Total								
162 Lease Grants Projects #1 - Fayette County								
PRJ455U5002								
Restricted Funds								
Project Total								
163 Lease Med Center Off Campus Facility #2 - Fayette County								
PRJ455U5000								
Restricted Funds								
Project Total								
164 Construct Science Research Building #2 - Planning and Design								
PRJ455U2026								
Restricted Funds				10,000,000	10,000,000			
Project Total				10,000,000	10,000,000			

K - Postsecondary Education**Capital Budget****University of Kentucky**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
165 Construct Gatton Building Complex - Planning and Design								
PRJ455U1972								
Restricted Funds				10,000,000	10,000,000			
Project Total				10,000,000	10,000,000			
166 Construct New Housing								
PRJ455U2058								
Agency Bonds			28,000,000		(28,000,000)			
Project Total			28,000,000		(28,000,000)			
167 Upgrade Existing Dorms for Housing								
PRJ455U2060								
Agency Bonds			7,000,000		(7,000,000)			
Project Total			7,000,000		(7,000,000)			
168 Lease Health Affairs Office #5 - Fayette County								
PRJ455U5022								
Agency Bonds								
Project Total								
169 Renovate 4-H Camps								
PRJ455U5024								
Bond Funds				2,000,000	2,000,000			
Project Total				2,000,000	2,000,000			
TOTAL CAPITAL			1,482,687,000	1,476,187,000	(6,500,000)			

K - Postsecondary Education**Operating Budget****University of Louisville**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	186,288,900	186,288,900		172,600,700	185,423,000	12,822,300	172,406,400	186,787,700	14,381,300
Restricted Funds	560,263,400	560,263,400		560,263,400	581,119,400	20,856,000	560,263,400	602,808,300	42,544,900
Federal Funds	115,855,900	115,855,900		115,855,900	119,679,900	3,824,000	115,855,900	123,628,500	7,772,600
Regular Total Funds	862,408,200	862,408,200		848,720,000	886,222,300	37,502,300	848,525,700	913,224,500	64,698,800
Use of Continuing									
TOTAL FUNDS	862,408,200	862,408,200		848,720,000	886,222,300	37,502,300	848,525,700	913,224,500	64,698,800
II. EXPENDITURE CATEGORY									
Personnel Costs	515,722,400	515,722,400		503,782,500	529,478,500	25,696,000	503,533,900	544,735,000	41,201,100
Operating Expenses	234,562,300	234,562,300		233,554,200	240,125,100	6,570,900	233,787,000	249,537,200	15,750,200
Grants, Loans, Benefits	74,175,200	74,175,200		72,508,300	76,610,200	4,101,900	72,473,600	78,403,600	5,930,000
Debt Service	15,222,000	15,222,000		16,652,700	16,652,700		16,519,400	16,519,400	
Capital Outlay	22,726,300	22,726,300		22,222,300	23,355,800	1,133,500	22,211,800	24,029,300	1,817,500
TOTAL EXPENDITURES	862,408,200	862,408,200		848,720,000	886,222,300	37,502,300	848,525,700	913,224,500	64,698,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	186,288,900	186,288,900		172,600,700	170,608,400	(1,992,300)	172,406,400	170,414,100	(1,992,300)
Restricted Funds	560,263,400	560,263,400		560,263,400	581,119,400	20,856,000	560,263,400	602,808,300	42,544,900
Federal Funds	115,855,900	115,855,900		115,855,900	119,679,900	3,824,000	115,855,900	123,628,500	7,772,600
Regular Total Funds	862,408,200	862,408,200		848,720,000	871,407,700	22,687,700	848,525,700	896,850,900	48,325,200
Use of Continuing									
TOTAL BASE LEVEL	862,408,200	862,408,200		848,720,000	871,407,700	22,687,700	848,525,700	896,850,900	48,325,200
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					14,814,600	14,814,600		16,373,600	16,373,600
TOTAL ADDITIONAL					14,814,600	14,814,600		16,373,600	16,373,600
V. ADDITIONAL BUDGET ITEMS									
1 CONT Restoration of Base									
ABR460U0007 Provides support for restoration of base funding.									
General Fund					14,814,600	14,814,600		16,373,600	16,373,600
Project Total					14,814,600	14,814,600		16,373,600	16,373,600
TOTAL ADDITIONAL					14,814,600	14,814,600		16,373,600	16,373,600

UNIVERSITY OF LOUISVILLE

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$7,500,600 in fiscal year 2008-2009 and \$7,348,800 in fiscal year 2009-2010 for debt service for previously issued bonds."

"Quality and Charity Care Trust Agreement: Included in the above General Fund appropriation is \$20,246,500 in fiscal year 2008-2009 and \$20,204,000 in fiscal year 2009-2010 to fulfill the Commonwealth's contractual obligation relating to indigent care furnished via the Quality and Charity Care Trust Agreement. The amount in fiscal year 2008-2009 includes \$403,600 to accommodate underfunding provided in fiscal year 2007-2008. Notwithstanding KRS 45.229, the General Fund appropriation related to the Quality and Charity Trust Agreement in fiscal year 2008-2009 shall not lapse but shall carry forward."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions as follows:

Relating to the authorization of \$60,000,000 Other Funds in fiscal year 2008-2009 for project 002. Expand Ambulatory Care Building Academic Addition:

"Authorization: The above authorization is approved pursuant to KRS 45.763."

Relating to the authorization of \$30,000,000 Other Funds in fiscal year 2008-2009 for project 008. Purchase Land Near Belknap Campus South:

UNIVERSITY OF LOUISVILLE

"Authorization: The above authorization is approved pursuant to KRS 45.763."

Relating to the authorization of \$29,668,000 Other Funds in fiscal year 2008-2009 for project 009. Construct Health Sciences Campus Steam/Chilled Water Plant II:

"Authorization: The above authorization is approved pursuant to KRS 45.763."

Relating to the authorization of \$10,050,000 Other Funds in fiscal year 2008-2009 for project 012. Renovate Shelby Campus Infrastructure:

"Authorization: The above authorization is approved pursuant to KRS 45.763."

The Executive Branch Budget supporting documents provide:

"The Executive Budget includes \$20,246,500 in fiscal year 2008-09 and \$20,204,000 in fiscal year 2009-10 from the General Fund for the Quality and Charity Care Trust Fund agreement. The fiscal year 2008-09 amount includes \$403,600 to accommodate the underfunding of the amount needed in fiscal year 2007-08."

"The Executive Budget includes \$3,245,000 in fiscal year 2008 from the General Fund in the Council on Postsecondary Education's Budget for one half-year's debt service for bond funded capital projects in Part II of the Executive Appropriations Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support for base funding by \$14,814,600 in fiscal year 2008-2009 and \$16,373,600 in fiscal year 2009-2010.

The General Assembly reduces General Fund support by \$1,992,300 in each fiscal year, reflecting the transfer of Metropolitan College from UofL to the Cabinet for Economic Development.

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K - Postsecondary Education**Capital Budget****University of Louisville**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds	5,000,000	5,000,000		95,058,000	455,922,000	360,864,000	7,888,200	7,988,200	100,000
Federal Funds				15,320,000	15,320,000		10,546,500	10,546,500	
Agency Bonds		30,700,000	30,700,000	148,265,000	69,830,000	(78,435,000)			
Other Funds	67,000,000	102,930,000	35,930,000	215,283,000	263,018,000	47,735,000	159,000	159,000	
TOTAL CAPITAL	72,000,000	138,630,000	66,630,000	473,926,000	804,090,000	330,164,000	18,593,700	18,693,700	100,000

II. CAPITAL PROJECTS**1 Expand Papa John's Cardinal Stadium**

PRJ460U2167

Restricted Funds	5,000,000	5,000,000	
Other Funds	67,000,000	67,000,000	

Project Total	72,000,000	72,000,000	
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2 Expand Ambulatory Care Building Academic Addition

PRJ460U2124

Other Funds	60,000,000	60,000,000	
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Project Total	60,000,000	60,000,000	
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3 Expand and Renovate - Dental School

PRJ460U2173

Restricted Funds	4,000,000	4,000,000	
Agency Bonds	38,700,000	38,700,000	

Project Total	42,700,000	42,700,000	
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4 Construct 500 Bed Residence Hall

PRJ460U2168

Other Funds	40,130,000	40,130,000	
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Project Total	40,130,000	40,130,000	
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5 Construct Health Sciences Campus Parking Structure III

PRJ460U2208

Agency Bonds	38,735,000		(38,735,000)
Other Funds		38,735,000	38,735,000

Project Total	38,735,000	38,735,000	
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K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6 Purchase Land Near Health Sciences Campus - Parcel I								
PRJ460U2144								
Other Funds			34,246,000	34,246,000				
Project Total			34,246,000	34,246,000				
7 Construct Health Sciences Campus Parking Structure II								
PRJ460U2130								
Agency Bonds		30,700,000	30,700,000		(30,700,000)			
Project Total		30,700,000	30,700,000		(30,700,000)			
8 Purchase Land Near Belknap Campus South								
PRJ460U2339								
Other Funds			30,000,000	30,000,000				
Project Total			30,000,000	30,000,000				
9 Construct Health Sciences Campus Steam/Chilled Water Plant II								
PRJ460U2215								
Other Funds			29,668,000	29,668,000				
Project Total			29,668,000	29,668,000				
10 Renovate Capital Renewal Pool								
PRJ460U2145								
Restricted Funds			28,265,000	28,265,000				
Project Total			28,265,000	28,265,000				
11 Construct Health Sciences Campus Research III Additional								
PRJ460U5003								
Agency Bonds			15,800,000	15,800,000				
Project Total			15,800,000	15,800,000				
12 Renovate Shelby Campus Infrastructure								
PRJ460U2131								
Other Funds			10,050,000	10,050,000				
Project Total			10,050,000	10,050,000				
13 Purchase Land Support Service (Northeast Quad)								
PRJ460U2119								
Other Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010			
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
14	Expand Student Activities Center								
PRJ460U2340									
Agency Bonds				9,960,000	9,960,000				
Project Total				9,960,000	9,960,000				
15	Purchase Central Station Property								
PRJ460U5002									
Agency Bonds				9,000,000		(9,000,000)			
Other Funds					9,000,000	9,000,000			
Project Total				9,000,000	9,000,000				
16	Purchase Land Near Papa John's Stadium								
PRJ460U2213									
Restricted Funds				7,000,000	7,000,000				
Project Total				7,000,000	7,000,000				
17	Renovate Ekstrom Library - Additional Reauthorization (\$22,081,000 Restricted Funds)								
PRJ460U2162									
Restricted Funds				6,757,000	6,757,000				
Project Total				6,757,000	6,757,000				
18	Construct Westside Dining Facility								
PRJ460U5001									
Agency Bonds				5,370,000	5,370,000				
Project Total				5,370,000	5,370,000				
19	Renovate Natural Science Building - Additional Reauthorization (\$13,380,000 Restricted Funds)								
PRJ460U2117									
Restricted Funds				4,710,000	4,710,000				
Project Total				4,710,000	4,710,000				
20	Purchase Computer Processing System								
PRJ460U2136									
Restricted Funds				4,000,000	4,000,000				
Project Total				4,000,000	4,000,000				

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
21 Utility Distribution - South Belknap Campus - Additional Reauthorization (\$6,821,000 Restricted Funds)								
PRJ460U2161								
Restricted Funds			3,549,000	3,549,000				
Project Total			3,549,000	3,549,000				
22 Expand and Renovate Founders Union Building - Additional Reauthorization (\$12,190,000 Restricted Funds)								
PRJ460U2165								
Restricted Funds			3,447,000	3,447,000				
Project Total			3,447,000	3,447,000				
23 Construct Boathouse for Women's Rowing Program								
PRJ460U2121								
Restricted Funds			3,370,000	3,370,000				
Project Total			3,370,000	3,370,000				
24 Renovate Housing Capital Renewal Pool - Additional Reauthorization (\$710,000 Restricted Funds)								
PRJ460U2148								
Restricted Funds			3,210,000	3,210,000				
Project Total			3,210,000	3,210,000				
25 Purchase Magnetic Resonance Imaging System								
PRJ460U2187								
Federal Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
26 Expand College of Business for Equine Industry								
PRJ460U2338								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
27 Expand and Renovate Oppenheimer Hall								
PRJ460U2125								
Restricted Funds			2,725,000	2,725,000				
Project Total			2,725,000	2,725,000				
28 Purchase Magnetic Resonance Imaging Equipment								
PRJ460U2197								
Federal Funds						2,500,000	2,500,000	
Project Total						2,500,000	2,500,000	

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
29 Purchase Positron Emission Tomography System								
PRJ460U2188								
Federal Funds			2,500,000	2,500,000				
Project Total			2,500,000	2,500,000				
30 Purchase Electronic Research Information System								
PRJ460U2143								
Restricted Funds			1,210,000	1,210,000		1,210,000	1,210,000	
Project Total			1,210,000	1,210,000		1,210,000	1,210,000	
31 Renovate Kersey Library - Additional Reauthorization (\$4,630,000 Restricted Funds)								
PRJ460U2160								
Restricted Funds			2,393,000	2,393,000				
Project Total			2,393,000	2,393,000				
32 Purchase Land Near Health Sciences Campus Parcel II - Additional Reauthorization (\$3,875,000 Restricted Funds)								
PRJ460U2172								
Restricted Funds			2,159,000	2,159,000				
Project Total			2,159,000	2,159,000				
33 Purchase Magnetoencephalography System								
PRJ460U2210								
Restricted Funds			430,000	430,000				
Federal Funds			1,670,000	1,670,000				
Project Total			2,100,000	2,100,000				
34 Construct Physical Plant Space in Health Sciences Campus Garage								
PRJ460U2209								
Restricted Funds			2,027,000	2,027,000				
Project Total			2,027,000	2,027,000				
35 Purchase Storage System								
PRJ460U2128								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
36 Purchase Robotic Cranes (2) for Automated Book								
PRJ460U2157								
Restricted Funds						1,995,000	1,995,000	
Project Total						1,995,000	1,995,000	
37 Renovate Research Resource Center Cage Wash Area								
PRJ460U2211								
Restricted Funds			1,484,000	1,484,000				
Federal Funds			500,000	500,000				
Project Total			1,984,000	1,984,000				
38 Purchase Visualization System (Planetarium)								
PRJ460U2134								
Restricted Funds						1,900,000	1,900,000	
Project Total						1,900,000	1,900,000	
39 Renovate Medical School Tower 55A Phase I - Additional Reauthorization (\$4,225,000 Restricted Funds)								
PRJ460U2166								
Restricted Funds			1,592,000	1,592,000				
Project Total			1,592,000	1,592,000				
40 Purchase Transmission Electron Microscope								
PRJ460U2151								
Federal Funds						1,500,000	1,500,000	
Project Total						1,500,000	1,500,000	
41 Purchase High Resolution Tandem Mass Spectrometer								
PRJ460U2156								
Federal Funds						1,500,000	1,500,000	
Project Total						1,500,000	1,500,000	
42 Purchase Computational Cluster System								
PRJ460U2177								
Restricted Funds						1,200,000	1,200,000	
Project Total						1,200,000	1,200,000	

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
43 Purchase Low Pressure Chemical Vapor Deposition Machine and Low Temperature Oxide System								
PRJ460U2181								
Federal Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
44 Lease Digital Output System								
PRJ460U2135								
Restricted Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
45 Purchase Robotic Telescope System								
PRJ460U2149								
Federal Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				
46 Purchase Networking System - Additional								
PRJ460U2140								
Restricted Funds			1,000,000	4,000,000	3,000,000			
Project Total			1,000,000	4,000,000	3,000,000			
47 Construct Student Health Facility - Additional Reauthorization (\$6,650,000 Restricted Funds)								
PRJ460U2174								
Restricted Funds			990,000	990,000				
Project Total			990,000	990,000				
48 Purchase Plastic Sintering Machine								
PRJ460U2194								
Federal Funds						900,000	900,000	
Project Total						900,000	900,000	
49 Purchase Artificial Turf Practice Field Facility								
PRJ460U2122								
Restricted Funds			865,000	865,000				
Project Total			865,000	865,000				
50 Construct Diversity Center for Excellence - Additional Reauthorization (\$5,898,000 Other Funds)								
PRJ460U2129								
Other Funds			830,000	830,000				
Project Total			830,000	830,000				

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
51 Purchase Additive Microdeposition Machine								
PRJ460U2196								
Federal Funds						825,000	825,000	
Project Total						825,000	825,000	
52 Purchase Focused Ion Beam Microscope								
PRJ460U2152								
Federal Funds						800,000	800,000	
Project Total						800,000	800,000	
53 Purchase Laser Jet Cutting System								
PRJ460U2193								
Federal Funds						750,000	750,000	
Project Total						750,000	750,000	
54 Purchase Plastic Deposition Machine								
PRJ460U2191								
Federal Funds						750,000	750,000	
Project Total						750,000	750,000	
55 Purchase Intermediate Voltage Transmission Electron Microscope								
PRJ460U2127								
Restricted Funds						665,500	665,500	
Project Total						665,500	665,500	
56 Purchase Direct Metal Additive Fabrication Machine								
PRJ460U2192								
Federal Funds						650,000	650,000	
Project Total						650,000	650,000	
57 Purchase PCs, Printers, Scanners for Libraries								
PRJ460U2137								
Restricted Funds						159,000	159,000	
Other Funds						159,000	159,000	
Project Total						318,000	318,000	

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
58 Purchase Hemodialysis Machine								
PRJ460U2204								
Restricted Funds						634,000	634,000	
Project Total						634,000	634,000	
59 Purchase Ultra Fast Spectroscopy Facility								
PRJ460U2195								
Federal Funds						600,000	600,000	
Project Total						600,000	600,000	
60 Purchase Computer Systems for College of Education								
PRJ460U2175								
Restricted Funds			600,000	600,000				
Project Total			600,000	600,000				
61 Purchase Biological Material Deposition Machine								
PRJ460U2184								
Federal Funds			600,000	600,000				
Project Total			600,000	600,000				
62 Purchase Computer Assisted Instructional Model								
PRJ460U2179								
Restricted Funds			300,000	300,000				
Other Funds			200,000	200,000				
Project Total			500,000	500,000				
63 Purchase Gas Chromatography Mass Spectrometer								
PRJ460U2332								
Restricted Funds			500,000	500,000				
Project Total			500,000	500,000				
64 Purchase Magnetron Sputtering System								
PRJ460U2185								
Federal Funds			500,000	500,000				
Project Total			500,000	500,000				

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
65 Purchase Ion Milling System								
PRJ460U2200								
Federal Funds						500,000	500,000	
Project Total						500,000	500,000	
66 Purchase Linear Ion Trap Mass Spectrometer								
PRJ460U2203								
Federal Funds						486,000	486,000	
Project Total						486,000	486,000	
67 Construct Utilities, Remove Overhead Lines - Additional Reauthorization (\$3,194,000 Restricted Funds)								
PRJ460U2132								
Restricted Funds						479,000	479,000	
Project Total						479,000	479,000	
68 Renovate Code Improvement Pool - Additional Reauthorization (\$3,191,000 Restricted Funds)								
PRJ460U2146								
Restricted Funds						479,000	479,000	
Project Total						479,000	479,000	
69 Purchase Live Cell Intracellular Nanoprobe Station								
PRJ460U2201								
Federal Funds						400,000	400,000	
Project Total						400,000	400,000	
70 Purchase TeraHertz Spectroscopy								
PRJ460U2198								
Federal Funds						350,000	350,000	
Project Total						350,000	350,000	
71 Purchase Multi-Head Sputtering System								
PRJ460U2153								
Federal Funds						350,000	350,000	
Project Total						350,000	350,000	
72 Purchase High Resolution Scanning Electron Microscope								
PRJ460U2126								
Restricted Funds						347,600	347,600	
Project Total						347,600	347,600	

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
73 Purchase Olympus FV1000 Confocal								
PRJ460U2150								
Restricted Funds			344,900	344,900				
Project Total			344,900	344,900				
74 Purchase Software for Kidney Disease Program								
PRJ460U2178								
Restricted Funds						325,000	325,000	
Project Total						325,000	325,000	
75 Purchase Reactive Ion Etching System								
PRJ460U2154								
Federal Funds			250,000	250,000				
Project Total			250,000	250,000				
76 Purchase Spray Develop/Etching System								
PRJ460U2199								
Federal Funds						250,000	250,000	
Project Total						250,000	250,000	
77 Purchase Gas Injection System								
PRJ460U2182								
Federal Funds			240,000	240,000				
Project Total			240,000	240,000				
78 Purchase Confocal Microscope								
PRJ460U2155								
Federal Funds						238,700	238,700	
Project Total						238,700	238,700	
79 Purchase Cathodoluminescence System								
PRJ460U2190								
Federal Funds			230,000	230,000				
Project Total			230,000	230,000				

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
80 Purchase Leica TCS SP5 Confocal Microscope								
PRJ460U2202								
Restricted Funds						45,700	45,700	
Federal Funds						182,800	182,800	
Project Total						228,500	228,500	
81 Purchase Hysitron Nanoindenter								
PRJ460U2180								
Federal Funds						225,000	225,000	
Project Total						225,000	225,000	
82 Purchase Temperature and Humidity Control System (4)								
PRJ460U2138								
Restricted Funds						220,000	220,000	
Project Total						220,000	220,000	
83 Purchase Gene Chip Scanner								
PRJ460U2189								
Federal Funds						219,000	219,000	
Project Total						219,000	219,000	
84 Purchase Library Chairs and Tables								
PRJ460U2158								
Restricted Funds						200,000	200,000	
Project Total						200,000	200,000	
85 Purchase Atomic Force Microscope								
PRJ460U2183								
Federal Funds						200,000	200,000	
Project Total						200,000	200,000	
86 Purchase Advanced Resist Processing System								
PRJ460U2186								
Federal Funds						200,000	200,000	
Project Total						200,000	200,000	

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
87 Guaranteed Energy Savings Performance Contracts								
PRJ460U2147								
Other Funds								
Project Total								
88 Purchase Enterprise Application System								
PRJ460U2139								
Restricted Funds				2,000,000	2,000,000			
Project Total				2,000,000	2,000,000			
89 Purchase Digital Communications System								
PRJ460U2141								
Restricted Funds				3,000,000	3,000,000			
Project Total				3,000,000	3,000,000			
90 Student Health Facility Lease								
PRJ460U5005								
Restricted Funds								
Project Total								
91 Jefferson County Housing - Lease								
PRJ460U5007								
Restricted Funds								
Project Total								
92 West Louisville Outreach Center Lease								
PRJ460U5009								
Restricted Funds								
Project Total								
93 Lease-Purchase College of Business MBA Program Building								
PRJ460U5008								
Restricted Funds								
Other Funds				15,000,000	15,000,000			
Project Total				15,000,000	15,000,000			

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
94 Master of Fine Arts Lease								
PRJ460U5006								
Restricted Funds								
Project Total								
95 Med Center One Lease								
PRJ460U5004								
Restricted Funds								
Project Total								
96 Renovate Medical Dental Res Building, Phase IV								
PRJ460U2123								
Restricted Funds								
Project Total								
97 Renovate Life Sciences Building								
PRJ460U2118								
Restricted Funds								
Project Total								
98 Construct Instructional Facility in HSC Quad								
PRJ460U2207								
Restricted Funds								
Project Total								
99 Construct HSC Research Facility V								
PRJ460U2133								
Restricted Funds								
Project Total								
100 Purchase Equipment Replacement Research and Inst								
PRJ460U2142								
Restricted Funds								
Project Total								
101 Construct Complete Two Shelled Floors of CII								
PRJ460U2205								
Restricted Funds								
Project Total								

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
102 Renovate Chemistry Fume Hood Redesign Phase II Additional Reauthorization (\$4,610,000 Restricted Funds)								
PRJ460U2170								
Restricted Funds				8,710,000	8,710,000			
Project Total				8,710,000	8,710,000			
103 Construct Fitness & Health Institute								
PRJ460U2214								
Restricted Funds				14,707,000	14,707,000			
Project Total				14,707,000	14,707,000			
104 Purchase Computer Systems for Nursing School								
PRJ460U2176								
Restricted Funds				100,000	100,000	100,000	100,000	
Project Total				100,000	100,000	100,000	100,000	
105 Renovate Burhans Hall								
PRJ460U2159								
Restricted Funds				14,140,000	14,140,000			
Project Total				14,140,000	14,140,000			
106 Renovate J. B. Speed Building								
PRJ460U2169								
Restricted Funds				9,892,000	9,892,000			
Project Total				9,892,000	9,892,000			
107 Renovate Kornhauser Library								
PRJ460U2163								
Restricted Funds				14,217,000	14,217,000			
Project Total				14,217,000	14,217,000			
108 Renovate KY Lions Eye Research Institute								
PRJ460U2164								
Restricted Funds				13,230,000	13,230,000			
Project Total				13,230,000	13,230,000			
109 Construct Athletic Academic Support Facility Reauthorization (\$5,000,000 Other Funds)								
PRJ460U5025								
Other Funds								
Project Total								

K - Postsecondary Education**Capital Budget****University of Louisville**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010			
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	
110 Construct Executive MBA/Business Program Building									
PRJ460U5023									
Other Funds	20,930,000	20,930,000							
Project Total	20,930,000	20,930,000							
111 Renovate Gross Anatomy Lab									
PRJ460U5021									
Restricted Funds				4,570,000	4,570,000				
Project Total				4,570,000	4,570,000				
112 Lease Ambulatory Care Building - Jefferson County									
PRJ460U5015									
Restricted Funds									
Project Total									
113 Lease Haymarket Building - Jefferson County									
PRJ460U5017									
Restricted Funds									
Project Total									
114 Lease Haymarket Parking - Jefferson County									
PRJ460U5019									
Restricted Funds									
Project Total									
115 Renovate Miller Information Technology Center									
PRJ460U5027									
Restricted Funds				2,900,000	2,900,000				
Project Total				2,900,000	2,900,000				
116 Renovate College of Education Building									
PRJ460U5029									
Restricted Funds				24,200,000	24,200,000				
Project Total				24,200,000	24,200,000				
TOTAL CAPITAL	72,000,000	138,630,000	66,630,000	473,926,000	804,090,000	330,164,000	18,593,700	18,693,700	100,000

K - Postsecondary Education**Operating Budget****Western Kentucky University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	83,842,700	83,842,700		74,815,500	82,296,300	7,480,800	75,103,600	83,371,600	8,268,000
Restricted Funds	194,521,800	194,521,800		194,521,800	206,289,900	11,768,100	194,521,800	217,857,100	23,335,300
Federal Funds	33,724,000	33,724,000		33,724,000	38,898,000	5,174,000	33,724,000	41,424,000	7,700,000
Regular Total Funds	312,088,500	312,088,500		303,061,300	327,484,200	24,422,900	303,349,400	342,652,700	39,303,300
Use of Continuing									
TOTAL FUNDS	312,088,500	312,088,500		303,061,300	327,484,200	24,422,900	303,349,400	342,652,700	39,303,300
II. EXPENDITURE CATEGORY									
Personnel Costs	161,099,300	161,099,300		155,817,900	170,371,600	14,553,700	155,817,900	177,980,900	22,163,000
Operating Expenses	82,992,900	82,992,900		80,565,800	85,573,900	5,008,100	80,565,800	90,295,500	9,729,700
Grants, Loans, Benefits	47,132,300	47,132,300		45,641,500	49,891,300	4,249,800	45,641,500	52,120,200	6,478,700
Debt Service	14,081,600	14,081,600		14,471,000	14,471,000		14,759,100	14,759,100	
Capital Outlay	6,782,400	6,782,400		6,565,100	7,176,400	611,300	6,565,100	7,497,000	931,900
TOTAL EXPENDITURES	312,088,500	312,088,500		303,061,300	327,484,200	24,422,900	303,349,400	342,652,700	39,303,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	83,842,700	83,842,700		74,815,500	74,815,500		75,103,600	75,103,600	
Restricted Funds	194,521,800	194,521,800		194,521,800	206,289,900	11,768,100	194,521,800	217,857,100	23,335,300
Federal Funds	33,724,000	33,724,000		33,724,000	38,898,000	5,174,000	33,724,000	41,424,000	7,700,000
Regular Total Funds	312,088,500	312,088,500		303,061,300	320,003,400	16,942,100	303,349,400	334,384,700	31,035,300
Use of Continuing									
TOTAL BASE LEVEL	312,088,500	312,088,500		303,061,300	320,003,400	16,942,100	303,349,400	334,384,700	31,035,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					7,480,800	7,480,800		8,268,000	8,268,000
TOTAL ADDITIONAL					7,480,800	7,480,800		8,268,000	8,268,000
V. ADDITIONAL BUDGET ITEMS									
1 CONT Restoration of Base									
ABR465U0003 Provides General Fund support for restoration of base funding.									
General Fund					7,480,800	7,480,800		8,268,000	8,268,000
Project Total					7,480,800	7,480,800		8,268,000	8,268,000
TOTAL ADDITIONAL					7,480,800	7,480,800		8,268,000	8,268,000

WESTERN KENTUCKY UNIVERSITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$1,670,000 in fiscal year 2008-2009 and \$1,958,100 in fiscal year 2009-2010 for debt service for previously issued bonds."

The Executive Branch Budget supporting documents provide:

"The Executive Budget includes \$857,000 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's Budget for one half-year's debt service for bond funded capital projects in Part II of the Executive Appropriations Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support by \$7,480,800 in fiscal year 2008-2009 and \$8,268,000 in fiscal year 2009-2010.

The General Assembly amends Part II, Capital Budget, by changing authorization for the following projects from General Fund-supported Bond Funds to Agency Bonds in fiscal year 2008-2009:

WESTERN KENTUCKY UNIVERSITY

Renovate Science Center Phase III - \$9,000,000 Bond Funds to \$9,000,000 Agency Bonds;
Replace Building Ford College of Business - Grise Hall Phase I - \$5,800,000 Bond Funds to \$5,800,000 Agency Bonds; and
Construct Materials Characterization/ICSET Phase II - \$4,500,000 Bond Funds to \$4,500,000 Agency Bonds.

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K - Postsecondary Education**Capital Budget****Western Kentucky University**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds		2,680,100	2,680,100	43,996,100	67,386,000	23,389,900			
Federal Funds				32,825,000	32,825,000				
Bond Funds				19,300,000		(19,300,000)			
Agency Bonds				93,700,000	63,000,000	(30,700,000)			
Other Funds				7,300,000	7,300,000				
TOTAL CAPITAL		2,680,100	2,680,100	197,121,100	170,511,000	(26,610,100)			
II. CAPITAL PROJECTS									
1	Renovate Downing University Center - Phase III								
PRJ465U2223									
Restricted Funds				2,000,000	2,000,000				
Agency Bonds				46,000,000		(46,000,000)			
Project Total				48,000,000	2,000,000	(46,000,000)			
2	Construct Agriculture Research Services Lab								
PRJ465U2233									
Federal Funds				22,825,000	22,825,000				
Project Total				22,825,000	22,825,000				
3	Renovate Van Meter Hall								
PRJ465U2236									
Restricted Funds				2,760,000	2,760,000				
Agency Bonds				18,400,000	18,400,000				
Project Total				21,160,000	21,160,000				
4	Renovate Science Campus Phase III								
PRJ465U2239									
Restricted Funds				3,000,000	3,000,000				
Federal Funds				3,000,000	3,000,000				
Bond Funds				9,000,000		(9,000,000)			
Agency Bonds					9,000,000	9,000,000			
Project Total				15,000,000	15,000,000				

K - Postsecondary Education**Capital Budget****Western Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
5 Expand Preston Center - Phase II Construction								
PRJ465U2231								
Restricted Funds			1,725,000	1,725,000				
Agency Bonds			11,500,000	11,500,000				
Project Total			13,225,000	13,225,000				
6 Renovate Ivan Wilson Center Phase I								
PRJ465U2217								
Restricted Funds			1,380,000	1,380,000				
Agency Bonds			9,200,000	9,200,000				
Project Total			10,580,000	10,580,000				
7 Renovate Garrett Conference Center Phase I								
PRJ465U2216								
Agency Bonds			4,000,000		(4,000,000)			
Other Funds			6,300,000	6,300,000				
Project Total			10,300,000	6,300,000	(4,000,000)			
8 Miscellaneous Maintenance Pool								
PRJ465U2232								
Restricted Funds			10,000,000	10,000,000				
Project Total			10,000,000	10,000,000				
9 Construct Mesonet Computer Center								
PRJ465U2242								
Restricted Funds			800,000	800,000				
Federal Funds			5,000,000	5,000,000				
Project Total			5,800,000	5,800,000				
10 Replace Building Ford College Business - Grise Hall Phase I								
PRJ465U2230								
Bond Funds			5,800,000		(5,800,000)			
Agency Bonds				5,800,000	5,800,000			
Project Total			5,800,000	5,800,000				

K - Postsecondary Education**Capital Budget****Western Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
11 Acquire Property and Construct Parking Lots								
PRJ465U2248								
Restricted Funds			690,000	690,000				
Agency Bonds			4,600,000	4,600,000				
Project Total			5,290,000	5,290,000				
12 Construct Materials Characterization/ICSET Phase II								
PRJ465U2234								
Restricted Funds			600,000	600,000				
Bond Funds			4,500,000		(4,500,000)			
Agency Bonds				4,500,000	4,500,000			
Project Total			5,100,000	5,100,000				
13 Upgrade Steam Plant Air Quality System								
PRJ465U5000								
Restricted Funds	2,680,100	2,680,100	2,680,100		(2,680,100)			
Project Total	2,680,100	2,680,100	2,680,100		(2,680,100)			
14 Convert WKYU-NPR and WKYU-PBS to Digital/HD								
PRJ465U2235								
Restricted Funds			2,645,000	2,645,000				
Project Total			2,645,000	2,645,000				
15 Purchase Property for Campus Expansion 2008								
PRJ465U2246								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
16 Develop South Lawn								
PRJ465U2245								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
17 Renovate Helm/Cravens Library Design								
PRJ465U2220								
Restricted Funds			1,989,000	1,989,000				
Project Total			1,989,000	1,989,000				

K - Postsecondary Education**Capital Budget****Western Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
18 Renovate Environmental Science and Technology Hall Design								
PRJ465U2221								
Restricted Funds			1,940,000	1,940,000				
Project Total			1,940,000	1,940,000				
19 Repair/Renovate Parking Structure #1, Phase I								
PRJ465U2243								
Restricted Funds			1,750,000	1,750,000				
Project Total			1,750,000	1,750,000				
20 Equipment Pool								
PRJ465U2337								
Restricted Funds			1,700,000	1,700,000				
Project Total			1,700,000	1,700,000				
21 Install Bike Paths								
PRJ465U2244								
Restricted Funds			260,000	260,000				
Federal Funds			1,040,000	1,040,000				
Project Total			1,300,000	1,300,000				
22 Improve University Drive Intersection								
PRJ465U2247								
Restricted Funds			240,000	240,000				
Federal Funds			960,000	960,000				
Project Total			1,200,000	1,200,000				
23 Renovate Kentucky Building Design								
PRJ465U2229								
Restricted Funds			1,130,000	1,130,000				
Project Total			1,130,000	1,130,000				
24 Construct Baseball Clubhouse								
PRJ465U2241								
Other Funds			1,000,000	1,000,000				
Project Total			1,000,000	1,000,000				

K - Postsecondary Education**Capital Budget****Western Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
25 Renovate Academic Complex Phase I Design - Additional Reauthorization (\$1,323,000 Restricted Funds)								
PRJ465U2219								
Restricted Funds			777,000	777,000				
Project Total			777,000	777,000				
26 Repair and Renovate Craig Alumni House								
PRJ465U2238								
Restricted Funds			750,000	750,000				
Project Total			750,000	750,000				
27 Renovate Agriculture Expo Center								
PRJ465U2218								
Restricted Funds			600,000	600,000				
Project Total			600,000	600,000				
28 Upgrade IT Infrastructure - Additional Reauthorization (\$2,000,000 Restricted Funds)								
PRJ465U2225								
Restricted Funds			300,000	300,000				
Project Total			300,000	300,000				
29 Purchase Property/Parking and Street Improvements								
PRJ465U2224								
Restricted Funds			280,000	2,800,000	2,520,000			
Project Total			280,000	2,800,000	2,520,000			
30 Guaranteed Energy Savings Performance Contracts								
PRJ465U2222								
Other Funds								
Project Total								
31 WKU Gateway to Downtown Bowling Green - Lease								
PRJ465U5002								
Restricted Funds								
Project Total								
32 Renovate Underground Electrical Infrastructure								
PRJ465U5005								
Restricted Funds				6,000,000	6,000,000			
Project Total				6,000,000	6,000,000			

K - Postsecondary Education**Capital Budget****Western Kentucky University**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
33 Replace College of Education Building Phase II								
PRJ465U5009								
Restricted Funds				5,250,000	5,250,000			
Project Total				5,250,000	5,250,000			
34 Renovate and Expand Carroll Knicely Center Phase II								
PRJ465U5011								
Restricted Funds				1,500,000	1,500,000			
Project Total				1,500,000	1,500,000			
35 Upgrade Steam Distribution Plant								
PRJ465U5013								
Restricted Funds				7,000,000	7,000,000			
Project Total				7,000,000	7,000,000			
36 Construct Central Regional Postsecondary Education Center - Planning and Design								
PRJ465U5015								
Restricted Funds				3,000,000	3,000,000			
Project Total				3,000,000	3,000,000			
37 Lease Parking Spaces - WKU Gateway to Downtown								
PRJ465U5003								
Restricted Funds								
Project Total								
38 Replace Field in Houchens/L.T. Smith Football Stadium								
PRJ465U5017								
Restricted Funds				800,000	800,000			
Project Total				800,000	800,000			
TOTAL CAPITAL		2,680,100	2,680,100	197,121,100	170,511,000	(26,610,100)		

K - Postsecondary Education**Operating Budget****Kentucky Community and Technical College System**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	221,843,800	221,843,800		196,246,900	219,317,600	23,070,700	196,246,900	224,429,700	28,182,800
Restricted Funds	289,507,700	289,507,700		288,307,700	306,312,100	18,004,400	288,307,700	319,979,700	31,672,000
Federal Funds	147,453,600	147,453,600		147,453,600	153,788,100	6,334,500	147,453,600	165,492,200	18,038,600
Regular Total Funds	658,805,100	658,805,100		632,008,200	679,417,800	47,409,600	632,008,200	709,901,600	77,893,400
Use of Continuing									
TOTAL FUNDS	658,805,100	658,805,100		632,008,200	679,417,800	47,409,600	632,008,200	709,901,600	77,893,400
II. EXPENDITURE CATEGORY									
Personnel Costs	338,580,200	338,580,200		325,276,300	351,575,900	26,299,600	325,276,300	364,634,000	39,357,700
Operating Expenses	127,073,400	127,073,400		121,999,600	128,173,400	6,173,800	121,999,600	138,183,200	16,183,600
Grants, Loans, Benefits	151,009,000	151,009,000		144,262,000	155,926,000	11,664,000	144,262,000	161,717,400	17,455,400
Capital Outlay	42,142,500	42,142,500		40,470,300	43,742,500	3,272,200	40,470,300	45,367,000	4,896,700
TOTAL EXPENDITURES	658,805,100	658,805,100		632,008,200	679,417,800	47,409,600	632,008,200	709,901,600	77,893,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	221,843,800	221,843,800		196,246,900	196,246,900		196,246,900	196,246,900	
Restricted Funds	289,507,700	289,507,700		288,307,700	306,312,100	18,004,400	288,307,700	319,979,700	31,672,000
Federal Funds	147,453,600	147,453,600		147,453,600	153,788,100	6,334,500	147,453,600	165,492,200	18,038,600
Regular Total Funds	658,805,100	658,805,100		632,008,200	656,347,100	24,338,900	632,008,200	681,718,800	49,710,600
Use of Continuing									
TOTAL BASE LEVEL	658,805,100	658,805,100		632,008,200	656,347,100	24,338,900	632,008,200	681,718,800	49,710,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					23,070,700	23,070,700		28,182,800	28,182,800
TOTAL ADDITIONAL					23,070,700	23,070,700		28,182,800	28,182,800
V. ADDITIONAL BUDGET ITEMS									
1 GB M & O for New Facilities									
ABR470U0001 Provides for the maintenance and operation of new facilities coming online.									
General Fund					3,000,000	3,000,000		6,000,000	6,000,000
Project Total					3,000,000	3,000,000		6,000,000	6,000,000
2 CONT Restoration of Base									
ABR470U0011 Provides General Fund support for restoration of base funding.									
General Fund					20,070,700	20,070,700		22,182,800	22,182,800
Project Total					20,070,700	20,070,700		22,182,800	22,182,800

K - Postsecondary Education**Operating Budget****Kentucky Community and Technical College System**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL					23,070,700	23,070,700		28,182,800	28,182,800

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Firefighters Foundation Program Fund: Included in the above Restricted Funds appropriation is \$29,331,400 in fiscal year 2008-2009 and \$30,364,600 in fiscal year 2009-2010 for the Firefighters Foundation Program Fund. Notwithstanding KRS 95A.250(1), supplemental payments for each qualified professional firefighter under the Firefighters Foundation Program Fund shall be \$3,100 in fiscal year 2008-2009 and \$3,100 in fiscal year 2009-2010. Notwithstanding KRS 95A.200 to 95A.300, \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 from the Firefighters Foundation Program Fund is authorized to be expended on firefighter training, equipment, and support activities. Notwithstanding KRS 95A.200 to 95A.300, an additional \$1,000,000 in fiscal year 2008-2009 and \$1,000,000 in fiscal year 2009-2010 from the Firefighters Foundation Program Fund is authorized to be spent on a comprehensive physical aptitude test program for firefighters."

"Firefighters Training Center Fund: Notwithstanding KRS 95A.200 to 95A.265, \$500,000 in Restricted Funds is provided in each fiscal year of the 2008-2010 fiscal biennium for the Firefighters Training Center Fund.

The Executive Branch Budget supporting documents provide:

"The Executive Budget includes \$1,516,000 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's Budget for one half-year's debt service for bond funded capital projects in Part II of the Executive Appropriations Act."

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support for base funding by \$20,070,700 in fiscal year 2008-2009 and \$22,182,800 in fiscal year 2009-2010.

The General Assembly provides General Fund support totaling \$3,000,000 in fiscal year 2008-2009 and \$6,000,000 in fiscal year 2009-2010 toward the maintenance and operation of new facilities.

The General Assembly includes language provisions in Part I, Operating Budget, as follows:

"Conveyance of Property: (a) Notwithstanding KRS 164A.575 or KRS Chapter 45A, the Kentucky Community and Technical College System may convey fee simple title to certain of its real property located within the City of Covington, Kentucky, to the Gateway Community and Technical College Foundation, a Kentucky not-for-profit corporation, for future consideration as determined reasonable by the President of the Kentucky Community and Technical College System who is hereby authorized to execute all necessary documents and take all necessary action to complete the foregoing conveyance. All moneys accruing to the Kentucky Community and Technical College System as a result of the conveyance shall be used to support capital construction projects on the Covington campus of the Gateway Community and Technical College. The Kentucky Community and Technical College System shall report a capital construction project that uses funds received from the conveyance to the Capital Projects and Bond Oversight Committee.

(b) Notwithstanding KRS 164A.575 or KRS Chapter 45A, the Kentucky Community and Technical College System may convey to the Hopkins County Board of Education fee simple title to certain of its real property and improvements that will become surplus to Madisonville Community College upon the completion of construction of the new Energy and Advanced Technology Center facility on the main campus of the college. The conveyance shall be completed at a price that is acceptable to both parties at fair market value. Madisonville Community College shall receive for college use the proceeds from the conveyance of the real property and improvements."

"Salary Increases: It is the intent of the 2008 General Assembly that employees of the Kentucky Community and Technical College System (KCTCS) who are in the University of Kentucky personnel system shall be treated the same, with respect to compensation plans and salary increases implemented by KCTCS, as all other employees of KCTCS. Specifically, KCTCS shall not utilize the

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

practice of providing lower salary increases to KCTCS employees who are in the University of Kentucky personnel system in order to offset money paid to the University of Kentucky for the cost of providing health insurance to these employees.

KCTCS shall make no distinction in compensation plans or salary increases among its employees based upon the personnel system to which they belong, except that KCTCS may make up the lower salary increases given in the past to those employees of KCTCS in the University of Kentucky personnel system which were based upon reimbursing the University of Kentucky for the cost of providing health insurance."

The General Assembly adds Part II, Capital Budget, project as follows:

LCC Classroom/Lab Building - \$4,000,000 Bond Funds in fiscal year 2008-2009 for site remediation at the Eastern State Hospital site.

The General Assembly includes a language provision in Part II, Capital Budget, J., 1., as follows:

"Lexington Community College Classroom/Lab Building: The Kentucky Community and Technical College System is authorized to construct the LCC Classroom/Lab Building appropriated in 2005 Ky. Acts ch. 173, Part II, K., 12., 019., on state property currently known as the main campus of Eastern State Hospital."

The General Assembly deletes Part II, Capital Budget, projects as follows:

Advanced Technology Center - Owensboro CTC - \$14,055,000 Bond Funds;

Construct Carrollton Campus - Jefferson CTC - \$12,000,000 Bond Funds;

Energy and Advanced Technology Center - Madisonville CTC - \$4,000,000 Bond Funds;

Rowan County Campus - Maysville CTC - Design - \$1,500,000 Bond Funds; and

Construct Licking Valley Center Phase II - Maysville CTC - Additional - \$1,000,000 Bond Funds.

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 514, Section (1), amends House Bill 406/EN as follows:

"...On page 184, after line 27, insert:

"025. Construct Licking Valley Center Phase II - Maysville CTC Reauthorization (\$3,459,000 Restricted Funds and \$1,500,000 Other Funds)"..."

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K - Postsecondary Education**Capital Budget****Kentucky Community and Technical College System**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				49,943,000	85,843,000	35,900,000			
Bond Funds				32,555,000	4,000,000	(28,555,000)			
Other Funds				6,692,000	3,853,000	(2,839,000)			
TOTAL CAPITAL				89,190,000	93,696,000	4,506,000			
II. CAPITAL PROJECTS									
1	Capital Renewal and Deferred Maintenance Pool								
PRJ470U2270									
Restricted Funds				38,000,000	38,000,000				
Project Total				38,000,000	38,000,000				
2	Advanced Technology Center - Owensboro CTC								
PRJ470U2260									
Bond Funds				14,055,000		(14,055,000)			
Project Total				14,055,000		(14,055,000)			
3	Construct Carrollton Campus - Jefferson CTC								
PRJ470U2267									
Bond Funds				12,000,000		(12,000,000)			
Project Total				12,000,000		(12,000,000)			
4	KCTCS Property Acquisition Pool								
PRJ470U2263									
Restricted Funds				5,500,000	5,500,000				
Project Total				5,500,000	5,500,000				
5	Energy and Advanced Technology Center - Madisonville CTC								
PRJ470U1399									
Bond Funds				4,000,000		(4,000,000)			
Project Total				4,000,000		(4,000,000)			
6	Expand Fine Arts Center - Henderson CTC								
PRJ470U2264									
Other Funds				2,839,000		(2,839,000)			
Project Total				2,839,000		(2,839,000)			

K - Postsecondary Education**Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7 Construct Child Development Center - Henderson CTC								
PRJ470U2253								
Other Funds			2,225,000	2,225,000				
Project Total			2,225,000	2,225,000				
8 Reroof and Enclose Concourses Gray Building - Madisonville CTC								
PRJ470U1396								
Restricted Funds			1,700,000	1,700,000				
Project Total			1,700,000	1,700,000				
9 Purchase Multi-Engine Aircraft - Somerset CTC								
PRJ470U2329								
Restricted Funds			1,645,000	1,645,000				
Project Total			1,645,000	1,645,000				
10 Construct Child Care Facility - Ashland CTC								
PRJ470U2266								
Other Funds			1,628,000	1,628,000				
Project Total			1,628,000	1,628,000				
11 Rowan County Campus - Maysville CTC - Design								
PRJ470U1400								
Bond Funds			1,500,000		(1,500,000)			
Project Total			1,500,000		(1,500,000)			
12 Construct Licking Valley Center Phase II - Maysville CTC - Additional Reauthorization (\$3,459,000 Restricted Funds and \$1,500,000 Other Funds)								
PRJ470U2251								
Bond Funds			1,000,000		(1,000,000)			
Project Total			1,000,000		(1,000,000)			
13 Master Plan Development and Upgrade Pool								
PRJ470U2257								
Restricted Funds			850,000	850,000				
Project Total			850,000	850,000				
14 Construct Bowling Green Fire Training Center								
PRJ470U1395								
Restricted Funds			830,000	830,000				
Project Total			830,000	830,000				

K - Postsecondary Education**Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
15 Construct Area 9 Training Building State Fire and Rescue - Additional								
PRJ470U1397								
Restricted Funds			443,000	443,000				
Project Total			443,000	443,000				
16 Purchase Articulated Dump Truck - Southeast KY CTC								
PRJ470U1389								
Restricted Funds			300,000	300,000				
Project Total			300,000	300,000				
17 Purchase Combine for Agriculture Program - Hopkinsville CTC								
PRJ470U1390								
Restricted Funds			275,000	275,000				
Project Total			275,000	275,000				
18 Purchase D65 Crawler Tractor - Southeast KY CTC								
PRJ470U1388								
Restricted Funds			200,000	200,000				
Project Total			200,000	200,000				
19 Purchase Horizontal Milling Machine - Hopkinsville CTC								
PRJ470U1391								
Restricted Funds			200,000	200,000				
Project Total			200,000	200,000				
20 Maysville CTC Montgomery County Center Lease								
PRJ470U5011								
Restricted Funds								
Project Total								
21 Bullitt County Campus Lease								
PRJ470U5010								
Restricted Funds								
Project Total								
22 Advanced Manufacturing Training Center Lease								
PRJ470U5009								
Restricted Funds								
Project Total								

K - Postsecondary Education**Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
23 KCTCS System Office Lease-Purchase								
PRJ470U5008								
Restricted Funds								
Project Total								
24 Jefferson CTC - Jefferson Education Center Lease								
PRJ470U5007								
Restricted Funds								
Project Total								
25 Henderson CC Lease for Applied Technology								
PRJ470U5006								
Restricted Funds								
Project Total								
26 Guaranteed Energy Savings Performance Contracts								
PRJ470U2259								
Other Funds								
Project Total								
27 KCTCS Information Technology Infrastructure Pool								
PRJ470U2268								
Restricted Funds				12,000,000	12,000,000			
Project Total				12,000,000	12,000,000			
28 KCTCS Equipment Pool								
PRJ470U2261								
Restricted Funds				20,000,000	20,000,000			
Project Total				20,000,000	20,000,000			
29 LCC Classroom/Lab Building - Additional Reauthorization (\$31,741,000 Bond Funds)								
PRJ470U5013								
Bond Funds				4,000,000	4,000,000			
Project Total				4,000,000	4,000,000			

K - Postsecondary Education**Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
30 Construct Community Intergenerational Center - Hazard CC								
PRJ470U5015								
Restricted Funds				3,900,000	3,900,000			
Project Total				3,900,000	3,900,000			
TOTAL CAPITAL			89,190,000	93,696,000	4,506,000			

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L - Transportation Cabinet

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L - Transportation Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,093,500	3,093,500		5,178,200	5,178,200		8,535,200	5,620,200	(2,915,000)
Restricted Funds	486,628,700	486,628,700		104,293,400	324,079,300	219,785,900	98,266,600	92,953,300	(5,313,300)
Federal Funds	734,411,700	734,411,700		725,400,800	725,400,800		757,575,700	757,575,700	
Road Fund	1,229,988,200	1,229,988,200		1,229,717,900	1,229,057,900	(660,000)	1,329,921,900	1,323,196,900	(6,725,000)
Highway Bond	395,755,300	395,755,300		50,000,000	110,000,000	60,000,000			
Regular Total Funds	2,849,877,400	2,849,877,400		2,114,590,300	2,393,716,200	279,125,900	2,194,299,400	2,179,346,100	(14,953,300)
Use of Continuing	3,356,200	3,356,200							
TOTAL FUNDS	2,853,233,600	2,853,233,600		2,114,590,300	2,393,716,200	279,125,900	2,194,299,400	2,179,346,100	(14,953,300)
II. EXPENDITURE CATEGORY									
Personnel Costs	418,049,700	418,049,700		437,612,000	438,194,400	582,400	448,052,900	447,162,900	(890,000)
Operating Expenses	226,824,900	226,824,900		242,155,700	238,005,700	(4,150,000)	257,121,200	256,371,200	(750,000)
Grants, Loans, Benefits	252,142,700	252,142,700		207,489,300	212,008,000	4,518,700	221,799,200	223,672,100	1,872,900
Debt Service	238,525,400	238,525,400		200,140,200	215,203,000	15,062,800	191,145,400	221,713,000	30,567,600
Capital Outlay	12,955,300	12,955,300		4,315,000	4,315,000		4,315,000	4,315,000	
Construction	1,704,735,600	1,704,735,600		1,022,878,100	1,285,990,100	263,112,000	1,071,865,700	1,026,111,900	(45,753,800)
TOTAL EXPENDITURES	2,853,233,600	2,853,233,600		2,114,590,300	2,393,716,200	279,125,900	2,194,299,400	2,179,346,100	(14,953,300)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,093,500	3,093,500		5,107,500	5,178,200	70,700	5,101,300	5,178,200	76,900
Restricted Funds	486,628,700	448,668,300	(37,960,400)	90,099,500	90,099,500		91,072,100	91,072,100	
Federal Funds	734,378,100	730,161,300	(4,216,800)	711,481,800	711,349,500	(132,300)	710,129,600	709,987,000	(142,600)
Road Fund	1,229,890,100	1,229,890,100		1,187,647,100	1,165,938,600	(21,708,500)	1,209,789,800	1,210,762,900	973,100
Highway Bond	395,755,300	395,755,300							
Regular Total Funds	2,849,745,700	2,807,568,500	(42,177,200)	1,994,335,900	1,972,565,800	(21,770,100)	2,016,092,800	2,017,000,200	907,400
Use of Continuing	3,356,200	3,356,200							
TOTAL BASE LEVEL	2,853,101,900	2,810,924,700	(42,177,200)	1,994,335,900	1,972,565,800	(21,770,100)	2,016,092,800	2,017,000,200	907,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				70,700		(70,700)	3,433,900	442,000	(2,991,900)
Restricted Funds		37,960,400	37,960,400	14,193,900	233,979,800	219,785,900	7,194,500	1,881,200	(5,313,300)
Federal Funds	33,600	4,250,400	4,216,800	13,919,000	14,051,300	132,300	47,446,100	47,588,700	142,600
Road Fund	98,100	98,100		42,070,800	63,119,300	21,048,500	120,132,100	112,434,000	(7,698,100)
Highway Bond				50,000,000	110,000,000	60,000,000			
TOTAL ADDITIONAL	131,700	42,308,900	42,177,200	120,254,400	421,150,400	300,896,000	178,206,600	162,345,900	(15,860,700)

L - Transportation Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Road Fund				27,192,000	17,992,000	(9,200,000)	7,280,000	4,150,000	(3,130,000)
Bond Funds				25,000,000	35,000,000	10,000,000			
Investment Income				500,000	500,000		500,000	500,000	
TOTAL CAPITAL				52,692,000	53,492,000	800,000	7,780,000	4,650,000	(3,130,000)

FB 2008-2010 FINAL BUDGET MEMORANDUM
2008 REGULAR SESSION OF THE GENERAL ASSEMBLY
ROAD FUND SUMMARY

Governmental Branch: Executive
Cabinet/Function: Transportation

Agency: Cabinet Summary
Unit:

	FY 2007-2008			FY 2008-2009			FY 2009-2010		
	Branch	General Assembly	Difference	Branch	General Assembly	Difference	Branch	General Assembly	Difference
<u>RESOURCES</u>									
Beginning Undesignated Balance									
Revenue Receipts/Estimates	1,282,801,400	1,282,801,400	-	1,324,806,400	1,324,806,400	-	1,405,103,400	1,405,103,400	-
Previous Year-End Surplus	21,163,300	21,163,300	-	-	-	-	-	-	-
Fund Transfers									
Non-Budgetary Transfers									
Non-Budgetary Receipts to Surplus									
TOTAL RESOURCES	1,303,964,700	1,303,964,700	-	1,324,806,400	1,324,806,400	-	1,405,103,400	1,405,103,400	-
<u>APPROPRIATIONS/EXPENDITURES</u>									
TRANSPORTATION CABINET									
General Administration & Support	78,887,600	78,887,600	-	72,590,100	74,390,100	1,800,000	74,369,900	74,769,900	400,000
Aviation	4,000,000	4,000,000	-	3,000,000	11,414,100	8,414,100	3,000,000	11,313,300	8,313,300
Revenue Sharing	265,848,100	265,848,100	-	287,800,600	287,698,900	(101,700)	318,180,600	318,070,100	(110,500)
Highways	681,874,600	681,874,600	-	698,551,400	680,624,200	(17,927,200)	777,149,700	755,167,500	(21,982,200)
Vehicle Regulation	18,234,700	18,234,700	-	19,262,800	26,417,600	7,154,800	20,622,700	27,277,100	6,654,400
Debt Service	181,143,200	181,143,200	-	148,513,000	148,513,000	-	136,599,000	136,599,000	-
Capital Budget	6,795,000	6,795,000	-	27,192,000	17,992,000	(9,200,000)	7,280,000	4,150,000	(3,130,000)
TOTAL-TRANSPORTATION	1,236,783,200	1,236,783,200	-	1,256,909,900	1,247,049,900	(9,860,000)	1,337,201,900	1,327,346,900	(9,855,000)
DEPT. OF TREASURY	250,000	250,000	-	250,000	250,000	-	250,000	250,000	-
JUSTICE CABINET									
Kentucky State Police	50,000,000	50,000,000	-	50,000,000	60,000,000	10,000,000	50,000,000	60,000,000	10,000,000
Motor Vehicle Enforcement	13,881,500	13,881,500	-	13,881,500	13,881,500	-	13,881,500	13,881,500	-
FINANCE & ADMINISTRATION CABINET									
Department of Administration	400,000	400,000	-	400,000	400,000	-	400,000	400,000	-
Department of Revenue	2,000,000	2,000,000	-	2,325,000	2,325,000	-	2,325,000	2,325,000	-
HOMELAND SECURITY	350,000	350,000	-	250,000	250,000	-	250,000	250,000	-
Environmental and Public Protection	300,000	300,000	-	300,000	300,000	-	300,000	300,000	-
COMMERCE CABINET									
Artisan's Center	-	-	-	350,000	350,000	-	350,000	350,000	-
Kentucky Heritage Council	-	-	-	140,000	-	(140,000)	145,000	-	(145,000)
TOTAL APPROP./EXPENDITURES	1,303,964,700	1,303,964,700	-	1,324,806,400	1,324,806,400	-	1,405,103,400	1,405,103,400	-

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Support	88,215,600	88,215,600		80,447,300	82,247,300	1,800,000	80,358,400	80,758,400	400,000
Aviation	10,842,800	10,842,800		8,770,900	75,120,900	66,350,000	8,701,800	15,051,800	6,350,000
Debt Service	181,143,200	181,143,200		148,513,000	148,513,000		136,599,000	136,599,000	
Highways	2,183,780,300	2,183,780,300		1,513,657,200	1,726,730,000	213,072,800	1,577,341,000	1,555,800,800	(21,540,200)
Public Transportation	43,076,300	43,076,300		35,941,600	36,591,600	650,000	35,994,800	36,644,800	650,000
Revenue Sharing	308,567,200	308,567,200		287,800,600	287,698,900	(101,700)	318,180,600	318,070,100	(110,500)
Vehicle Regulation	34,252,000	34,252,000		39,459,700	36,814,500	(2,645,200)	37,123,800	36,421,200	(702,600)
Regular Appropriation	2,849,877,400	2,849,877,400		2,114,590,300	2,393,716,200	279,125,900	2,194,299,400	2,179,346,100	(14,953,300)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Aviation	840,100	840,100		650,000		(650,000)	650,000		(650,000)
Highways								442,000	442,000
Public Transportation	2,253,400	2,253,400		4,528,200	5,178,200	650,000	4,528,200	5,178,200	650,000
Vehicle Regulation							3,357,000		(3,357,000)
Regular Appropriation	3,093,500	3,093,500		5,178,200	5,178,200		8,535,200	5,620,200	(2,915,000)

GENERAL FUND

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Public Transportation	3,356,200	3,356,200	
Reserve Spending	3,356,200	3,356,200	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Support	28,000	28,000		48,900	48,900		22,000	22,000	
Aviation	5,603,300	5,603,300		5,105,900	3,691,800	(1,414,100)	5,036,800	3,723,500	(1,313,300)
Highways	426,919,800	426,919,800		79,076,700	310,076,700	231,000,000	80,181,800	80,181,800	
Public Transportation	555,700	555,700		505,600	505,600		522,500	522,500	
Revenue Sharing	42,719,100	42,719,100							
Vehicle Regulation	10,802,800	10,802,800		19,556,300	9,756,300	(9,800,000)	12,503,500	8,503,500	(4,000,000)
Regular Appropriation	486,628,700	486,628,700		104,293,400	324,079,300	219,785,900	98,266,600	92,953,300	(5,313,300)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Support	9,300,000	9,300,000		7,808,300	7,808,300		5,966,500	5,966,500	
Aviation	399,400	399,400		15,000	15,000		15,000	15,000	
Highways	679,230,600	679,230,600		686,029,100	686,029,100		720,009,500	720,009,500	
Public Transportation	40,267,200	40,267,200		30,907,800	30,907,800		30,944,100	30,944,100	
Vehicle Regulation	5,214,500	5,214,500		640,600	640,600		640,600	640,600	
Regular Appropriation	734,411,700	734,411,700		725,400,800	725,400,800		757,575,700	757,575,700	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
ROAD FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Support	78,887,600	78,887,600		72,590,100	74,390,100	1,800,000	74,369,900	74,769,900	400,000
Aviation	4,000,000	4,000,000		3,000,000	11,414,100	8,414,100	3,000,000	11,313,300	8,313,300
Debt Service	181,143,200	181,143,200		148,513,000	148,513,000		136,599,000	136,599,000	
Highways	681,874,600	681,874,600		698,551,400	680,624,200	(17,927,200)	777,149,700	755,167,500	(21,982,200)
Revenue Sharing	265,848,100	265,848,100		287,800,600	287,698,900	(101,700)	318,180,600	318,070,100	(110,500)
Vehicle Regulation	18,234,700	18,234,700		19,262,800	26,417,600	7,154,800	20,622,700	27,277,100	6,654,400
Regular Appropriation	1,229,988,200	1,229,988,200		1,229,717,900	1,229,057,900	(660,000)	1,329,921,900	1,323,196,900	(6,725,000)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
HIGHWAY BOND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Aviation					60,000,000	60,000,000			
Highways	395,755,300	395,755,300		50,000,000	50,000,000				
Regular Appropriation	395,755,300	395,755,300		50,000,000	110,000,000	60,000,000			

L - Transportation Cabinet**Operating Budget****General Administration and Support**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	28,000	28,000		48,900	48,900		22,000	22,000	
Federal Funds	9,300,000	9,300,000		7,808,300	7,808,300		5,966,500	5,966,500	
Road Fund	78,887,600	78,887,600		72,590,100	74,390,100	1,800,000	74,369,900	74,769,900	400,000
Regular Total Funds	88,215,600	88,215,600		80,447,300	82,247,300	1,800,000	80,358,400	80,758,400	400,000
Use of Continuing									
TOTAL FUNDS	88,215,600	88,215,600		80,447,300	82,247,300	1,800,000	80,358,400	80,758,400	400,000
II. EXPENDITURE CATEGORY									
Personnel Costs	37,043,200	37,043,200		33,514,900	34,914,900	1,400,000	35,007,300	35,007,300	
Operating Expenses	35,708,700	35,708,700		33,577,600	33,877,600	300,000	33,877,600	34,177,600	300,000
Grants, Loans, Benefits	7,650,600	7,650,600		6,006,500	6,106,500	100,000	4,140,600	4,240,600	100,000
Debt Service	7,292,500	7,292,500		7,303,300	7,303,300		7,287,900	7,287,900	
Capital Outlay	347,800	347,800		15,000	15,000		15,000	15,000	
Construction	172,800	172,800		30,000	30,000		30,000	30,000	
TOTAL EXPENDITURES	88,215,600	88,215,600		80,447,300	82,247,300	1,800,000	80,358,400	80,758,400	400,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	28,000	28,000		48,900	48,900		22,000	22,000	
Federal Funds	9,300,000	9,300,000		7,808,300	7,808,300		5,966,500	5,966,500	
Road Fund	78,887,600	78,887,600		71,216,200	73,016,200	1,800,000	72,891,600	73,291,600	400,000
Regular Total Funds	88,215,600	88,215,600		79,073,400	80,873,400	1,800,000	78,880,100	79,280,100	400,000
Use of Continuing									
TOTAL BASE LEVEL	88,215,600	88,215,600		79,073,400	80,873,400	1,800,000	78,880,100	79,280,100	400,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund				1,373,900	1,373,900		1,478,300	1,478,300	
TOTAL ADDITIONAL				1,373,900	1,373,900		1,478,300	1,478,300	
V. ADDITIONAL BUDGET ITEMS									
1 GB Personnel Vacancies									
ABR35K00001 Provides funds to restore 23 full-time and 15 other vacant positions in Administration and Transportation Safety.									
Road Fund				1,373,900	1,373,900		1,478,300	1,478,300	
Project Total				1,373,900	1,373,900		1,478,300	1,478,300	
TOTAL ADDITIONAL				1,373,900	1,373,900		1,478,300	1,478,300	

GENERAL ADMINISTRATION AND SUPPORT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2008-2010 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2008-2009 through fiscal year 2013-2014 as identified by the 2008 General Assembly. This document shall mirror in data type and format the fiscal year 2006-2012 Recommended Six-Year Highway Plan as submitted to the 2006 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2008 Regular Session of the General Assembly.

The Secretary of the Transportation Cabinet is further directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium, including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

"Debt Service: Included in the above Road Fund appropriation is \$7,303,300 in fiscal year 2008-2009 and \$7,287,900 in fiscal year 2009-2010 for debt service on previously authorized bonds for the new Transportation Cabinet office building and parking structure."

GENERAL ADMINISTRATION AND SUPPORT

"Adopt-A-Highway Litter Program: The Transportation Cabinet and the Environmental and Public Protection Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides additional Road Fund support totaling \$1,800,000 in fiscal year 2008-2009 and \$400,000 in fiscal year 2009-2010 to restore base funding.

The General Assembly adds Part I, Operating Budget, language provision as follows:

"SAFE Patrol Program: The Transportation Cabinet shall continue the SAFE Patrol Program at the current service level. The primary mission of the cabinet's SAFE Patrol shall be motorist assistance. The SAFE Patrol shall be restricted to providing only assistance services on interstates, parkways, and other limited access-highways."

The General Assembly provides Road Fund Support totaling \$17,992,000 in fiscal year 2008-2009 and \$4,150,000 in fiscal year 2009-2010 for the Part II, Capital Budget.

The General Assembly amends Part II, Capital Budget, by adding \$600,000 in Road Fund appropriation in fiscal year 2008-2009 for 2008 Ryder Cup Parking.

The General Assembly amends Part II, Capital Budget, by adding \$10,000,000 in Bond Fund appropriation in fiscal year 2008-2009 for Wetland Restoration.

The General Assembly amends Part II, Capital Budget, by adding the following language provisions:

"Payments for Wetland Restoration: Obligations due from the Department of Highways from state funds for fees to the fund established by KRS 150.225(3) shall be deposited into an Other Special Revenue Fund established with the Transportation Cabinet.

GENERAL ADMINISTRATION AND SUPPORT

Payments in satisfaction of these obligations shall be made from the capital project appropriation in Part II, K., 1., 017. of this Act."

"Kentucky Horse Park Roads and Pedways - FEI Games: Included in the above Road Fund appropriation is the amount necessary to complete roads, parking infrastructure, and pedways for the 2010 FEI World Equestrian Championship Games."

"2008 Ryder Cup Parking: Included in the above Road Fund appropriation is the amount necessary to complete parking infrastructure improvements at the Kentucky Fair and Exposition Center pursuant to the 2008 Ryder Cup Trade Agreement."

L - Transportation Cabinet**Capital Budget****General Administration and Support**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Road Fund				27,192,000	17,992,000	(9,200,000)	7,280,000	4,150,000	(3,130,000)
Bond Funds				25,000,000	35,000,000	10,000,000			
Investment Income				500,000	500,000		500,000	500,000	
TOTAL CAPITAL				52,692,000	53,492,000	800,000	7,780,000	4,650,000	(3,130,000)

II. CAPITAL PROJECTS

1	Replace Automated Vehicle Information System (AVIS)								
PRJ35K01697									
Bond Funds				25,000,000	25,000,000				
Project Total				25,000,000	25,000,000				
2	Kentucky Horse Park Roads - FEI Games								
PRJ35K05001									
Road Fund				10,300,000	10,300,000				
Project Total				10,300,000	10,300,000				
3	Bluegrass Airport Runway								
PRJ35K05000									
Road Fund				9,000,000		(9,000,000)			
Project Total				9,000,000		(9,000,000)			
4	Road Maintenance Parks								
PRJ35K01693									
Road Fund				1,500,000	1,500,000		1,500,000	1,500,000	
Project Total				1,500,000	1,500,000		1,500,000	1,500,000	
5	Repair Loadometer and Rest Areas								
PRJ35K01692									
Road Fund				900,000	900,000		600,000	600,000	
Project Total				900,000	900,000		600,000	600,000	
6	Purchase TRNS*PORT Upgrade								
PRJ35K01699									
Road Fund				1,300,000	1,300,000				
Project Total				1,300,000	1,300,000				

L - Transportation Cabinet**Capital Budget****General Administration and Support**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7 Building Renovations and Emergency Repairs								
PRJ35K01688								
Road Fund			600,000	600,000		600,000	600,000	
Project Total			600,000	600,000		600,000	600,000	
8 Various Environmental Compliance								
PRJ35K01694								
Road Fund			500,000	500,000		500,000	500,000	
Project Total			500,000	500,000		500,000	500,000	
9 Aircraft Maintenance Pool - 2008-2010								
PRJ35K01372								
Investment Income			500,000	500,000		500,000	500,000	
Project Total			500,000	500,000		500,000	500,000	
10 Construct Henderson Maintenance Facility and Salt Storage Structure								
PRJ35K01684								
Road Fund						960,000		(960,000)
Project Total						960,000		(960,000)
11 Construct Crittenden County Maintenance Facility								
PRJ35K01686								
Road Fund						910,000		(910,000)
Project Total						910,000		(910,000)
12 Construct Nicholas Maintenance Facility and Salt Storage Structure								
PRJ35K01683								
Road Fund						910,000		(910,000)
Project Total						910,000		(910,000)
13 HVAC Maintenance and Repairs								
PRJ35K01696								
Road Fund			400,000	400,000		400,000	400,000	
Project Total			400,000	400,000		400,000	400,000	
14 Purchase Bridge Snooper								
PRJ35K01705								
Road Fund			500,000	500,000				
Project Total			500,000	500,000				

L - Transportation Cabinet**Capital Budget****General Administration and Support**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
15 Construct Various Maintenance Facilities - Secondary Structures								
PRJ35K01695								
Road Fund			250,000		(250,000)	250,000		(250,000)
Project Total			250,000		(250,000)	250,000		(250,000)
16 Replace Overhead Doors and Emergency Repairs								
PRJ35K01689								
Road Fund			200,000	200,000		200,000	200,000	
Project Total			200,000	200,000		200,000	200,000	
17 Painting and Roof Repair or Replacement								
PRJ35K01690								
Road Fund			200,000	200,000		200,000	200,000	
Project Total			200,000	200,000		200,000	200,000	
18 Purchase One Track Mounted Core Drill								
PRJ35K01704								
Road Fund			375,000	375,000				
Project Total			375,000	375,000				
19 Purchase GPS Surveying Equipment								
PRJ35K01707								
Road Fund			317,000	317,000				
Project Total			317,000	317,000				
20 Repair Salt Storage Structures								
PRJ35K01687								
Road Fund			150,000	150,000		150,000	150,000	
Project Total			150,000	150,000		150,000	150,000	
21 Construct Resident Engineers Buildings - Rowan and Carter								
PRJ35K01703								
Road Fund			250,000		(250,000)			
Project Total			250,000		(250,000)			
22 Conduct Paving and Landscaping								
PRJ35K01691								
Road Fund			100,000		(100,000)	100,000		(100,000)
Project Total			100,000		(100,000)	100,000		(100,000)

L - Transportation Cabinet**Capital Budget****General Administration and Support**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
23 Energy Efficient Evaluations and Upgrades								
PRJ35K01371								
Road Fund			200,000		(200,000)			
Project Total			200,000		(200,000)			
24 Purchase GPS Virtual Reference System								
PRJ35K01698								
Road Fund			150,000	150,000				
Project Total			150,000	150,000				
25 2008 Ryder Cup Parking								
PRJ35K05003								
Road Fund				600,000	600,000			
Project Total				600,000	600,000			
26 Wetland Restoration								
PRJ35K05005								
Bond Funds				10,000,000	10,000,000			
Project Total				10,000,000	10,000,000			
TOTAL CAPITAL			52,692,000	53,492,000	800,000	7,780,000	4,650,000	(3,130,000)

L - Transportation Cabinet**Operating Budget****Aviation**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	840,100	840,100		650,000		(650,000)	650,000		(650,000)
Restricted Funds	5,603,300	5,603,300		5,105,900	3,691,800	(1,414,100)	5,036,800	3,723,500	(1,313,300)
Federal Funds	399,400	399,400		15,000	15,000		15,000	15,000	
Road Fund	4,000,000	4,000,000		3,000,000	11,414,100	8,414,100	3,000,000	11,313,300	8,313,300
Highway Bond					60,000,000	60,000,000			
Regular Total Funds	10,842,800	10,842,800		8,770,900	75,120,900	66,350,000	8,701,800	15,051,800	6,350,000
Use of Continuing									
TOTAL FUNDS	10,842,800	10,842,800		8,770,900	75,120,900	66,350,000	8,701,800	15,051,800	6,350,000
II. EXPENDITURE CATEGORY									
Personnel Costs	2,399,200	2,399,200		2,233,500	2,162,800	(70,700)	2,310,200	2,233,300	(76,900)
Operating Expenses	1,784,200	1,784,200		1,769,800	1,769,800		1,784,800	1,784,800	
Grants, Loans, Benefits	6,275,000	6,275,000		4,767,600	8,536,300	3,768,700	4,606,800	5,729,700	1,122,900
Debt Service					2,652,000	2,652,000		5,304,000	5,304,000
Construction	384,400	384,400			60,000,000	60,000,000			
TOTAL EXPENDITURES	10,842,800	10,842,800		8,770,900	75,120,900	66,350,000	8,701,800	15,051,800	6,350,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	840,100	840,100		579,300		(579,300)	573,100		(573,100)
Restricted Funds	5,603,300	5,603,300		3,691,800	3,691,800		3,723,500	3,723,500	
Federal Funds	399,400	399,400		15,000	15,000		15,000	15,000	
Road Fund	4,000,000	4,000,000		3,000,000	3,579,300	579,300	3,000,000	3,573,100	573,100
Regular Total Funds	10,842,800	10,842,800		7,286,100	7,286,100		7,311,600	7,311,600	
Use of Continuing									
TOTAL BASE LEVEL	10,842,800	10,842,800		7,286,100	7,286,100		7,311,600	7,311,600	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				70,700		(70,700)	76,900		(76,900)
Restricted Funds				1,414,100		(1,414,100)	1,313,300		(1,313,300)
Road Fund					7,834,800	7,834,800		7,740,200	7,740,200
Highway Bond					60,000,000	60,000,000			
TOTAL ADDITIONAL				1,484,800	67,834,800	66,350,000	1,390,200	7,740,200	6,350,000
V. ADDITIONAL BUDGET ITEMS									
1 GB Aviation Personnel Vacancies									
ABR35B00003 Provides funds to restore 1 vacant position in the Capital City Airport Division.									
General Fund				70,700		(70,700)	76,900		(76,900)
Project Total				70,700		(70,700)	76,900		(76,900)

L - Transportation Cabinet**Operating Budget**

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	GB	Aviation Economic Development Projects									
ABR35B00007 Provides funds for the development, rehabilitation, and maintenance of public use aviation facilities.											
Restricted Funds						1,414,100		(1,414,100)	1,313,300		(1,313,300)
Road Fund							5,182,800	5,182,800		2,436,200	2,436,200
Project Total						1,414,100	5,182,800	3,768,700	1,313,300	2,436,200	1,122,900
3	NEW	Debt Service - Economic Development Road Revenue Bonds for Aviation									
ABR35B00010 Provide debt service for a \$60 million bond issue for implementation of projects in the Six-Year Aviation Plan.											
Road Fund							2,652,000	2,652,000		5,304,000	5,304,000
Project Total							2,652,000	2,652,000		5,304,000	5,304,000
4	NEW	Economic Development Road Revenue Bonds - Aviation									
ABR35B00011 Provide appropriation for a \$60 million bond issue for Aviation projects.											
Highway Bond							60,000,000	60,000,000			
Project Total							60,000,000	60,000,000			
TOTAL ADDITIONAL						1,484,800	67,834,800	66,350,000	1,390,200	7,740,200	6,350,000
TRANSFERS TO THE GENERAL FUND											
Aviation											
Agency Revenue Fund (KRS 183.525(4))			2,300,000	2,300,000		3,468,000	4,882,100	1,414,100	3,468,000	4,781,300	1,313,300
Agency Revenue Fund			100,000	100,000							
TOTAL			2,400,000	2,400,000		3,468,000	4,882,100	1,414,100	3,468,000	4,781,300	1,313,300

AVIATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Aviation, Restricted Funds of \$2,400,000 in fiscal year 2007-2008, \$3,468,000 in fiscal year 2008-2009, and \$3,468,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Operational Costs: Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year."

"Use of Road Fund Resources: The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriation for the Department of Aviation, including but not limited to providing the above authorized financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21)."

"Aviation Plan Project Report: The Secretary of the Transportation Cabinet is directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity relating to all aviation projects with open activity conducted by the Transportation Cabinet during the biennium, including the year each project phase was enacted in a Six-Year Aviation Plan. The Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

AVIATION

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly transfers General Fund support totaling \$650,000 in each fiscal year to replace a base reduction in Public Transportation.

The General Assembly provides additional Road Fund support totaling \$8,414,100 in fiscal year 2008-2009 and \$8,313,300 in fiscal year 2009-2010.

The General Assembly provides Highway Bond Support totaling \$60,000,000 in fiscal year 2008-2009 for the funding of the Cabinet's Six-Year Aviation Plan.

The General Assembly amends Part I, Operating Budget, by removing the language concerning the **"Use of Road Fund Resources."**

The General Assembly adds Part I, Operating Budget, language provisions as follows:

"Six-Year Aviation Plan: The Transportation Cabinet's Aviation Development Program shall prioritize and fund airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2008-2014 Six-Year Aviation Plan."

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$2,652,000 in fiscal year 2008-2009 and \$5,304,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments relating to projects financed by \$60,000,000 in Economic Development Road Revenue Bonds."

The General Assembly amends Part V, Funds Transfer, to include an additional Restricted Fund transfer of \$1,414,100 in fiscal year 2008-2009 and \$1,313,300 in fiscal year 2009-2010 to the General Fund.

L - Transportation Cabinet**Operating Budget****Debt Service**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Road Fund	181,143,200	181,143,200		148,513,000	148,513,000		136,599,000	136,599,000	
Regular Total Funds	181,143,200	181,143,200		148,513,000	148,513,000		136,599,000	136,599,000	
Use of Continuing									
TOTAL FUNDS	181,143,200	181,143,200		148,513,000	148,513,000		136,599,000	136,599,000	
II. EXPENDITURE CATEGORY									
Debt Service	181,143,200	181,143,200		148,513,000	148,513,000		136,599,000	136,599,000	
TOTAL EXPENDITURES	181,143,200	181,143,200		148,513,000	148,513,000		136,599,000	136,599,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Road Fund	181,143,200	181,143,200		148,513,000	148,513,000		134,388,000	134,388,000	
Regular Total Funds	181,143,200	181,143,200		148,513,000	148,513,000		134,388,000	134,388,000	
Use of Continuing									
TOTAL BASE LEVEL	181,143,200	181,143,200		148,513,000	148,513,000		134,388,000	134,388,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund							2,211,000	2,211,000	
TOTAL ADDITIONAL							2,211,000	2,211,000	
V. ADDITIONAL BUDGET ITEMS									
1 NEW Economic Development Road Bond Debt Services									
ABR35H00001 Provides funds for debt service on \$50,000,000 of Economic Development Road Revenue Bonds for BRAC.									
Road Fund							2,211,000	2,211,000	
Project Total							2,211,000	2,211,000	
TOTAL ADDITIONAL							2,211,000	2,211,000	

DEBT SERVICE

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions as follows:

"Resource Recovery Road Lease-Rental Program: Included in the above Road Fund appropriation is \$9,086,400 in fiscal year 2008-2009 for Resource Recovery Road lease-rental payments. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease-rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road Fund resources are not sufficient to meet lease-rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020."

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$139,426,600 in fiscal year 2008-2009 and \$134,389,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$2,210,000 in fiscal year 2009-2010 for Economic Development Road lease-rental payments to the Kentucky Turnpike Authority relating to projects financed by \$50,000,000 in Economic Development Road Revenue Bonds."

"Excess Lease-Rental Payments: Any moneys not required to meet lease-rental payments or to meet the administrative costs of the

DEBT SERVICE

Kentucky Turnpike Authority shall be transferred to the State Construction Account."

"Debt Payment Acceleration Fund Account: Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2006-2008 fiscal biennium."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

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L - Transportation Cabinet**Operating Budget****Highways**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund								442,000	442,000
Restricted Funds	426,919,800	426,919,800		79,076,700	310,076,700	231,000,000	80,181,800	80,181,800	
Federal Funds	679,230,600	679,230,600		686,029,100	686,029,100		720,009,500	720,009,500	
Road Fund	681,874,600	681,874,600		698,551,400	680,624,200	(17,927,200)	777,149,700	755,167,500	(21,982,200)
Highway Bond	395,755,300	395,755,300		50,000,000	50,000,000				
Regular Total Funds	2,183,780,300	2,183,780,300		1,513,657,200	1,726,730,000	213,072,800	1,577,341,000	1,555,800,800	(21,540,200)
Use of Continuing									
TOTAL FUNDS	2,183,780,300	2,183,780,300		1,513,657,200	1,726,730,000	213,072,800	1,577,341,000	1,555,800,800	(21,540,200)
II. EXPENDITURE CATEGORY									
Personnel Costs	354,382,300	354,382,300		382,634,300	382,634,300		391,035,400	391,035,400	
Operating Expenses	173,576,400	173,576,400		181,987,800	179,537,800	(2,450,000)	202,671,600	201,621,600	(1,050,000)
Grants, Loans, Benefits	3,879,000	3,879,000		3,389,000	3,389,000		3,389,000	3,389,000	
Debt Service	50,089,700	50,089,700		44,323,900	56,734,700	12,410,800	43,901,500	69,165,100	25,263,600
Capital Outlay	12,579,500	12,579,500		4,300,000	4,300,000		4,300,000	4,300,000	
Construction	1,589,273,400	1,589,273,400		897,022,200	1,100,134,200	203,112,000	932,043,500	886,289,700	(45,753,800)
TOTAL EXPENDITURES	2,183,780,300	2,183,780,300		1,513,657,200	1,726,730,000	213,072,800	1,577,341,000	1,555,800,800	(21,540,200)
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	426,919,800	388,959,400	(37,960,400)	77,930,000	77,930,000		78,943,600	78,943,600	
Federal Funds	679,230,600	675,013,800	(4,216,800)	672,559,600	672,559,600		673,012,900	673,012,900	
Road Fund	681,776,500	681,776,500		660,300,900	636,213,100	(24,087,800)	663,219,500	663,219,500	
Highway Bond	395,755,300	395,755,300							
Regular Total Funds	2,183,682,200	2,141,505,000	(42,177,200)	1,410,790,500	1,386,702,700	(24,087,800)	1,415,176,000	1,415,176,000	
Use of Continuing									
TOTAL BASE LEVEL	2,183,682,200	2,141,505,000	(42,177,200)	1,410,790,500	1,386,702,700	(24,087,800)	1,415,176,000	1,415,176,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund								442,000	442,000
Restricted Funds		37,960,400	37,960,400	1,146,700	232,146,700	231,000,000	1,238,200	1,238,200	
Federal Funds		4,216,800	4,216,800	13,469,500	13,469,500		46,996,600	46,996,600	
Road Fund	98,100	98,100		38,250,500	44,411,100	6,160,600	113,930,200	91,948,000	(21,982,200)
Highway Bond				50,000,000	50,000,000				
TOTAL ADDITIONAL	98,100	42,275,300	42,177,200	102,866,700	340,027,300	237,160,600	162,165,000	140,624,800	(21,540,200)

V. ADDITIONAL BUDGET ITEMS**1 GB Department of Highways Personnel Vacancies**

ABR35F00011 Provides funds to restore 209 full-time vacant positions in Engineering, Planning, Highway Operations, Maintenance, and Equipment Services.

L - Transportation Cabinet**Operating Budget****Highways**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Restricted Funds			1,146,700	1,146,700		1,238,200	1,238,200	
Road Fund			7,736,100	7,736,100		8,421,000	8,421,000	
Project Total			8,882,800	8,882,800		9,659,200	9,659,200	
2 GB	Increase State Construction							
ABR35F00039	Provides funds for state highway construction.							
Road Fund	98,100	98,100	1,389,400		(1,389,400)	41,768,800	10,836,600	(30,932,200)
Project Total	98,100	98,100	1,389,400		(1,389,400)	41,768,800	10,836,600	(30,932,200)
3 GB	SAFETEA-LU Funds Increase							
ABR35F00036	Provides authority for KYTC to access available federal funds under the Safe, Accountable, Flexible, Efficient Transportation Equity Act.							
Federal Funds	4,216,800	4,216,800	13,469,500	13,469,500		46,959,500	46,959,500	
Project Total	4,216,800	4,216,800	13,469,500	13,469,500		46,959,500	46,959,500	
4 GB	Federal Grant Increase SAFETEA_LU							
ABR35F00009	Provides authority for KYTC to access increase in federal funds available for metropolitan planning process.							
Federal Funds						37,100	37,100	
Project Total						37,100	37,100	
5 GB	Interest Earnings Economic Development Bonds							
ABR35F00040	Provides authority for KYTC to utilize existing proceeds from the sale of Economic Development Road Bonds and the interest earned on those bonds to meet road system needs.							
Restricted Funds	21,387,900	21,387,900						
Project Total	21,387,900	21,387,900						
6 GB	Interest Earnings on GARVEE Bonds							
ABR35F00041	Provides authority for KYTC to utilize existing proceeds from the sale of GARVEE Bonds and the interest earned on those bonds to meet road system needs.							
Restricted Funds	16,572,500	16,572,500						
Project Total	16,572,500	16,572,500						
7 NEW	Economic Development Road Bonds for BRAC							
ABR35F00042	Provides Economic Development Road Revenue Bonds for pre-construction phases of roads in the vicinity of Fort Knox due to the federal Base Realignment and Closure program.							
Highway Bond			50,000,000	50,000,000				
Project Total			50,000,000	50,000,000				

L - Transportation Cabinet**Operating Budget****Highways**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
8	EXPAN State Resurfacing Account									
ABR35F00043	Provides funds to the State Resurfacing program to maintain and replace existing blacktop.									
Road Fund					10,000,000	10,000,000		10,000,000	20,000,000	10,000,000
Project Total					10,000,000	10,000,000		10,000,000	20,000,000	10,000,000
9	CONT Highway Maintenance									
ABR35F00044	Provides funds for Maintenance program to maintain roads and bridges and replace and repair guardrails, traffic signals and control devices, signage, and striping.									
Road Fund					29,125,000	26,675,000	(2,450,000)	53,740,400	52,690,400	(1,050,000)
Project Total					29,125,000	26,675,000	(2,450,000)	53,740,400	52,690,400	(1,050,000)
10	NEW Wetland Restoration Debt Service									
ABR35F00048	Provide debt service on \$10,000,000 bond issue for Wetland Restoration.									
General Fund									442,000	442,000
Project Total									442,000	442,000
11	NEW Grant Anticipation Revenue Vehicle (GARVEE) Bonds									
ABR35F00049	Provide authority for GARVEE Bonds to be issued for the Louisville-Southern Indiana Ohio River Bridges Project.									
Restricted Funds					231,000,000	231,000,000				
Project Total					231,000,000	231,000,000				
TOTAL ADDITIONAL		98,100	42,275,300	42,177,200	102,866,700	340,027,300	237,160,600	162,165,000	140,624,800	(21,540,200)

TRANSFERS TO THE GENERAL FUND

Highways										
Other Special Revenue Funds					10,000,000	10,000,000				
The amount of the fund transfer shall be limited to the deposits to the other special revenue fund established in Part II, (10). In the event that the amount of the fund transfer made in fiscal year 2008-2009 is less than the full amount authorized, fund transfers may be made in fiscal year 2009-2010 up to a maximum biennial total of \$10,000,000.										
TOTAL					10,000,000	10,000,000				

HIGHWAYS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above Federal Funds appropriation is \$44,323,900 in fiscal year 2008-2009 and \$43,901,500 in fiscal year 2009-2010 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously appropriated by the General Assembly."

"State Supported Construction Program: Included in the above Road Fund appropriation is \$304,911,200 in fiscal year 2008-2009 and \$355,290,600 in fiscal year 2009-2010 for the State Supported Construction Program."

"State Resurfacing Program: Included in the State Supported Construction Program is \$87,000,000 in fiscal year 2008-2009 and \$97,000,000 in fiscal year 2009-2010 from the Road Fund for the State Resurfacing Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$182,911,200 in fiscal year 2008-2009 and \$220,550,600 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Notwithstanding KRS 224.43-505, \$2,500,000 in fiscal year 2009-2010 is provided to support the Kentucky Pride Fund created in KRS 224.43-505."

"Highway Construction Contingency Account: Included in the State Supported Construction Program is \$35,000,000 in fiscal year 2008-2009 and \$37,740,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account. Notwithstanding KRS

HIGHWAYS

224.43-505, \$2,500,000 in fiscal year 2009-2010 is provided to support the Kentucky Pride Fund created in KRS 224.43-505."

"2008-2010 Biennial Highway Construction Plan: Projects in the enacted 2006-2008 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2008-2010 fiscal biennium."

"Kentucky Transportation Center: Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is \$290,000 in fiscal year 2008-2009 and \$290,000 in fiscal year 2009-2010 for the Kentucky Transportation Center."

"New Highway Equipment Purchases: Notwithstanding KRS 48.710(3), included in the above Restricted Funds appropriation is \$1,500,000 in fiscal year 2008-2009 and \$1,500,000 in fiscal year 2009-2010 from the sale of surplus equipment to purchase new highway equipment."

"State Match Provisions: The Transportation Cabinet is authorized to utilize state construction moneys or Toll Credits to match federal highway moneys."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2008-2010 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Highway Preconstruction Program."

"Demonstration Projects: The Transportation Cabinet is authorized to select up to ten design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

"Road Fund Cash Management: The Secretary of the Transportation Cabinet is authorized to continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2008-2010 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary is directed to continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet

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are sufficient to meet expenditures consistent with appropriations provided."

"Programmatic Adjustments: The Secretary of the Transportation Cabinet is authorized to adjust the specific sums comprising the Highways appropriation programs enumerated in subsections (3), (4), and (5) of this section for the purposes of enhancing public safety, maximizing available Federal Funds, supporting economic development, and accelerating state construction projects."

"Carry Forward of Appropriation Balances: Notwithstanding KRS 45.229, unexpended Road Fund appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2007-2008 and in fiscal year 2008-2009 shall not lapse but shall carry forward. Unexpended Federal Funds and Restricted Funds appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2007-2008 and in fiscal year 2008-2009, up to the amount of ending cash balances and grant balances shall not lapse but shall carry forward."

"Road Fund Support for Aviation: The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriations for the Department of Aviation, including but not limited to providing financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21), as identified in Part I, L., 2. of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides Road Fund support totaling \$680,624,200 in fiscal year 2008-2009 and \$755,167,500 in fiscal year 2009-2010 for the Part I, Operating Budget.

The General Assembly provides additional General Fund support totaling \$442,000 in fiscal year 2009-2010 for the Part I, Operating Budget, for Debt Service for Wetland Restoration.

The General Assembly amends Part I, Operating Budget, by removing the language concerning Demonstration Projects, Programmatic Adjustments, and Road Fund Support for Aviation.

The General Assembly amends Part I, Operating Budget, language provisions as follows:

HIGHWAYS

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$289,434,000 in fiscal year 2008-2009 and \$334,358,400 in fiscal year 2009-2010 for the State Supported Construction Program."

"State Resurfacing Program: Included in the State Supported Construction Program in subsection (2) of this section is \$97,000,000 in fiscal year 2008-2009 and \$107,000,000 in fiscal year 2009-2010 from the Road Fund for the State Resurfacing Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program in subsection (2) of this section is \$161,434,000 in fiscal year 2008-2009 and \$196,358,400 in fiscal year 2009-2010 from the Road Fund for state construction projects in the fiscal biennium 2008-2010 Biennial Highway Construction Program. Notwithstanding KRS 224.43-505, no funds to support the Kentucky Pride Fund are included in the above Road Fund appropriation."

"Highway Construction Contingency Account: Included in the State Supported Construction Program in subsection (2) of this section is \$31,000,000 in fiscal year 2008-2009 and \$31,000,000 in fiscal year 2009-2010 for the Highway Construction Contingency Account. Included in the above Road Fund appropriation is \$5,000,000 in each fiscal year to support the Kentucky Pride Fund created in KRS 224.43-505. The Transportation Cabinet may deposit \$4,000,000 from the Highway Construction Contingency Account in each fiscal year to the Industrial Road Access Account within the Transportation Cabinet. The Industrial Road Access Account funds are designated to be used solely by the Secretary of the Economic Development Cabinet. These funds may be expended, encumbered, or committed only upon the direction of the Secretary of the Economic Development Cabinet to the Secretary of the Transportation Cabinet. The Secretary of the Economic Development Cabinet may request from the Secretary of the Transportation Cabinet additional funds to be deposited to the Industrial Road Access Account if the funds are necessary to meet specific economic development opportunities in a local community. Notwithstanding KRS 45.229, any funds not expended from the Industrial Road Access Account prior to June 30, 2009, shall not lapse to the State Highway Construction Program, but shall remain in the Industrial Road Access Account and carry forward into fiscal year 2009-2010. Included in the above Road Fund appropriation is \$98,000 in fiscal year 2008-2009 for use by Mammoth Caves National Park to provide a 20 percent state-funded match for federal funds designated for planning and for design phases for dredging and reconstruction and improvements to the Green River Ferry loading ramps for year-round operation of the ferry."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; (b) All projects identified for federal funding in the fiscal biennium 2008-2010 Biennial Highway Construction Plan shall be given first priority; and (c) All other funds shall be used to ensure that projects in the fiscal biennium 2008-2010 Biennial Highway Construction Plan are funded."

HIGHWAYS

"Interlocal Agreement: Any local government may be permitted to enter into an interlocal cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state-maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the contracted cost of such maintenance. The agreement may permit local governments to make temporary repairs to state-maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the contracted cost of the temporary repairs. The Transportation Cabinet shall report all interlocal cooperative agreements enter into under this subsection to the Interim Joint Committee on Transportation within seven days of the agreement being finalized. The report shall include the local government requesting the assistance from the Cabinet, the scope and estimated cost of the service or repair, and the reasons for the necessity of the agreement."

The General Assembly adds Part I, Operating Budget, language provisions as follows:

"Kentucky Pride Program Report: The Environmental and Public Protection Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation a program and financial status report of all expenditures related to the Kentucky Pride Fund. The status report shall be provided to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation no later than October 1 of each year."

"Miscellaneous Road Fund Projects: (a) The Transportation Cabinet may undertake the following miscellaneous road projects using the Highway Construction Contingency appropriation contained therein:

1. Fayette County Traffic Control Device: Install a traffic light at the intersection of Georgetown Road and Spurr Road for \$50,000 from Road Fund resources in fiscal year 2008-2009;
2. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Russell Cave Road and Asbury Lane for \$6,000 from Road Fund resources in fiscal year 2008-2009;
3. Fayette County Traffic Control Device: Install a left turn signal at the intersection of Broadway and Third Street for \$6,000 from Road Fund resources in fiscal year 2008-2009;
4. Jefferson County Traffic Control Device: Install a left turn signal on both sides of the traffic control signal at the intersection of Eastern Parkway and Bardstown Road for \$12,000 from Road Fund resources in fiscal year 2008-2009;
5. Jefferson County Traffic Control Device: Install a right turn lane at Terry Road and Greenwood Road for \$75,000 from Road Fund resources in fiscal year 2008-2009;
6. Jefferson County Traffic Control Device: Install a left turn lane at St. Andrews Church Road and St. Anthony Road for \$150,000 from Road Fund resources in fiscal year 2008-2009;
7. Jefferson County Railroad Crossing: Reimburse \$80,000 to Louisville Metro Government, from Road Fund resources in fiscal

HIGHWAYS

year 2008-2009, for improvements to the Norfolk Southern Railroad crossing on Breckenridge Lane near the intersection of Breckenridge Lane and Six Mile Lane. The improvements shall include the rehabilitation and beautification of all sidewalks, drainage, landscaping, replacement or refurbishing of handrails, curbs, and retaining walls;

8. Kenton County Traffic Control Device: Install a traffic light at the intersection of Adela and Oak Street in Ludlow for \$22,000 from Road Fund resources in fiscal year 2008-2009;

9. Kenton County Sidewalks: Construct sidewalks on the northwest side of Adela Street from the Ludlow Independent School District to City Park in Ludlow for \$50,000 from Road Fund resources in fiscal year 2008-2009;

10. Kenton County Sidewalk and Brick Repair: Provide for transportation enhancement and beautification by repairing or replacing the historic brick and sidewalk located in the 500 block of Linden Street from Adela Street to Helen Street for \$100,000 from Road Fund resources in fiscal year 2008-2009; and

11. Clark County Traffic Control Device: Install a four-way traffic signal at the intersection of KY 1958 and KY 1960.

(b) The Transportation Cabinet shall follow the original plans for Scott County Project Number 7-102.10 as identified in the 2008-2014 Highway Road Plan. The Georgetown Northwest Bypass shall extend directly northward from the existing US 60/US 460 bypass intersection before proceeding to the existing KY 32. With the safety and protection of school children being of the utmost concern to the citizens of the Commonwealth, the Transportation Cabinet shall require the Georgetown Northwest Bypass project to provide adequate ingress to and egress from Western Elementary School."

"Wetland Restoration Debt Service: Included in the above appropriation is \$442,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Innovative Financing: The Secretary of the Transportation Cabinet, or his or her designee, shall be authorized to update the initial financing plan utilizing toll revenues as an available funding source for the Louisville-Southern Indiana Ohio River Bridges Project."

The General Assembly sustains the following Veto Message from the Governor of the Commonwealth:

Veto #8 of HB 406 - *"I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:*

Page 117, line 26, after the period, delete the remainder of the line.

Page 117, line 27 in its entirety.

Page 118, line 4, after the period, delete the remainder of the line.

HIGHWAYS

Page 118, line 5, beginning with the word, 'each' and ending with the '.'

I am vetoing this part because the Secretary of the Transportation Cabinet needs as much flexibility as possible to respond to potential statewide emergency and life safety situations and opportunities to expand economic development that involve the Commonwealth's transportation infrastructure. The vetoed part requires an extra \$2.5 million for the Kentucky Pride Fund established in KRS 224.43-505 to be paid from the Secretary of Transportation's Contingency Fund. The Department of Highways has as its core mission the management and maintenance of the Commonwealth's transportation infrastructure. While the six-year transportation planning process is an excellent tool for identifying the current and future transportation needs, it is severely underfunded and no plan can possibly foresee every contingency. It is my judgment that the money for the Kentucky Pride Fund should originate from the currently enacted statutory sources, which are \$2.5 million from the road fund and \$2.5 million from the contingency fund."

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 410, Section 3, provides the following:

On page 117, line 6, delete "79,076,700" and insert "310,076,700"; and

Adjust subsequent subtotals and totals accordingly; and

On page 122, after line 24, insert the following:

"(18) Grant Anticipation Revenue Vehicle (GARVEE) Bonds: Included in the above Restricted Funds appropriation is \$231,000,000 in fiscal year 2008-2009 for GARVEE Bond Funds to be issued for the Louisville-Southern Indiana Ohio River Bridges Project. Federal funds made available as a result of the issuance of bonds authorized herein, shall not be expended unless specifically appropriated and identified by the General Assembly.

(19) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service: Included in the above Federal Funds appropriation is \$12,410,800 in fiscal year 2008-2009 and \$24,821,600 in fiscal year 2009-2010 for GARVEE Bonds debt service payments relating to projects financed by \$231,000,000 in GARVEE Bonds."

L - Transportation Cabinet

Operating Budget

Public Transportation

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,253,400	2,253,400		4,528,200	5,178,200	650,000	4,528,200	5,178,200	650,000
Restricted Funds	555,700	555,700		505,600	505,600		522,500	522,500	
Federal Funds	40,267,200	40,267,200		30,907,800	30,907,800		30,944,100	30,944,100	
Regular Total Funds	43,076,300	43,076,300		35,941,600	36,591,600	650,000	35,994,800	36,644,800	650,000
Use of Continuing	3,356,200	3,356,200							
TOTAL FUNDS	46,432,500	46,432,500		35,941,600	36,591,600	650,000	35,994,800	36,644,800	650,000
II. EXPENDITURE CATEGORY									
Personnel Costs	1,412,600	1,412,600		1,255,500	1,255,500		1,281,900	1,281,900	
Operating Expenses	253,900	253,900		125,300	125,300		125,300	125,300	
Grants, Loans, Benefits	44,766,000	44,766,000		34,560,800	35,210,800	650,000	34,587,600	35,237,600	650,000
TOTAL EXPENDITURES	46,432,500	46,432,500		35,941,600	36,591,600	650,000	35,994,800	36,644,800	650,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,253,400	2,253,400		4,528,200	5,178,200	650,000	4,528,200	5,178,200	650,000
Restricted Funds	555,700	555,700		505,600	505,600		522,500	522,500	
Federal Funds	40,233,600	40,233,600		30,907,800	30,775,500	(132,300)	30,944,100	30,801,500	(142,600)
Regular Total Funds	43,042,700	43,042,700		35,941,600	36,459,300	517,700	35,994,800	36,502,200	507,400
Use of Continuing	3,356,200	3,356,200							
TOTAL BASE LEVEL	46,398,900	46,398,900		35,941,600	36,459,300	517,700	35,994,800	36,502,200	507,400
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds	33,600	33,600			132,300	132,300		142,600	142,600
TOTAL ADDITIONAL	33,600	33,600			132,300	132,300		142,600	142,600
V. ADDITIONAL BUDGET ITEMS									
1 GB Public Transportation Personnel Vacancies									
ABR35E00002	Provides funds to restore 2 vacant full-time positions in the Office of Transportation Delivery and 1 full-time in the Office of Human Services Transportation Delivery.								
Federal Funds					132,300	132,300		142,600	142,600
Project Total					132,300	132,300		142,600	142,600
2 CONT Current Year Federal Funds									
ABR35E00003	Provides authority for KYTC to access available federal funding for public transportation services.								
Federal Funds	33,600	33,600							
Project Total	33,600	33,600							

L - Transportation Cabinet**Operating Budget****Public Transportation**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL	33,600	33,600			132,300	132,300		142,600	142,600

PUBLIC TRANSPORTATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Toll Credits: The Transportation Cabinet is authorized to maximize to the extent necessary the use of Toll Credits to match Federal Funds for transit systems capital grants."

"Nonpublic School Transportation: Included in the above General Fund appropriation is \$2,950,000 in fiscal year 2008-2009 and \$2,950,000 in fiscal year 2009-2010 for nonpublic school transportation."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides General Fund support totaling \$650,000 in each fiscal year to restore base funding level.

The General Assembly provides Federal Fund support to restore three vacant full-time positions.

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L - Transportation Cabinet**Operating Budget****Revenue Sharing**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	42,719,100	42,719,100							
Road Fund	265,848,100	265,848,100		287,800,600	287,698,900	(101,700)	318,180,600	318,070,100	(110,500)
Regular Total Funds	308,567,200	308,567,200		287,800,600	287,698,900	(101,700)	318,180,600	318,070,100	(110,500)
Use of Continuing									
TOTAL FUNDS	308,567,200	308,567,200		287,800,600	287,698,900	(101,700)	318,180,600	318,070,100	(110,500)

II. EXPENDITURE CATEGORY

Personnel Costs	4,139,700	4,139,700		3,396,400	3,294,700	(101,700)	3,422,000	3,311,500	(110,500)
Operating Expenses	3,950,400	3,950,400		3,896,000	3,896,000		3,891,200	3,891,200	
Grants, Loans, Benefits	185,572,100	185,572,100		154,682,300	154,682,300		171,075,200	171,075,200	
Construction	114,905,000	114,905,000		125,825,900	125,825,900		139,792,200	139,792,200	
TOTAL EXPENDITURES	308,567,200	308,567,200		287,800,600	287,698,900	(101,700)	318,180,600	318,070,100	(110,500)

III. BASE LEVEL BUDGET BY FUND SOURCE

Restricted Funds	42,719,100	42,719,100							
Road Fund	265,848,100	265,848,100		287,698,900	287,698,900		318,070,100	318,070,100	
Regular Total Funds	308,567,200	308,567,200		287,698,900	287,698,900		318,070,100	318,070,100	
Use of Continuing									
TOTAL BASE LEVEL	308,567,200	308,567,200		287,698,900	287,698,900		318,070,100	318,070,100	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

Road Fund				101,700		(101,700)	110,500		(110,500)
TOTAL ADDITIONAL				101,700		(101,700)	110,500		(110,500)

V. ADDITIONAL BUDGET ITEMS

1 GB Revenue Sharing Personnel Vacancies									
ABR35C00001 Provides funds to restore 1 full-time position in the Office of Special Programs.									
Road Fund				101,700		(101,700)	110,500		(110,500)
Project Total				101,700		(101,700)	110,500		(110,500)
TOTAL ADDITIONAL				101,700		(101,700)	110,500		(110,500)

REVENUE SHARING

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"County Road Aid Program: Included in the above Road Fund appropriation is \$108,618,300 in fiscal year 2008-2009 and \$120,156,400 in fiscal year 2009-2010 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2008-2009 and \$38,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Rural Secondary Program: Included in the above Road Fund appropriation is \$131,766,500 in fiscal year 2008-2009 and \$145,763,600 in fiscal year 2009-2010 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2008-2009 and \$46,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Municipal Road Aid Program: Included in the above Road Fund appropriation is \$45,702,800 in fiscal year 2008-2009 and \$50,557,600 in fiscal year 2009-2010 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2008-2009 and \$16,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

REVENUE SHARING

"Energy Recovery Road Fund: Included in the above Road Fund appropriation is \$913,000 in fiscal year 2008-2009 and \$903,000 in fiscal year 2009-2010 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.9772, 177.978, 177.979, and 177.981."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides Road Fund Support totaling \$287,698,900 in fiscal year 2008-2009 and \$318,070,100 in fiscal year 2009-2010.

The General Assembly amends Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$131,766,500 in fiscal year 2008-2009 and \$145,763,600 in fiscal year 2009-2010 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. These funds shall be set aside for the construction, reconstruction, and maintenance of state-maintained secondary and rural roads and for no other purpose, and shall be expended for these purposes by the Transportation Cabinet according to the terms and conditions prescribed in KRS 177.320 to 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2008-2009 and \$46,000 in fiscal year 2009-2010, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

The General Assembly sustains the following Veto Message from the Governor of the Commonwealth:

Veto #9 of HB 406 - *"I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:*

Page 124, line 1, after the period, delete the remainder of the line.

Page 124, lines 2 and 3 in their entirety.

Page 124, line 4, beginning with the word ;'terms' and ending with the '.'

I am vetoing this part because the Secretary of the Transportation Cabinet needs as much flexibility as possible to respond to potential statewide emergency and life safety situations and opportunities to expand economic development that involve the Commonwealth's transportation infrastructure in the counties and cities of the Commonwealth. The vetoed part restricts the use of

REVENUE SHARING

the Rural Secondary program money within the Revenue Sharing appropriation unit to only state maintained rural and secondary roads. The Secretary of the Transportation Cabinet has historically had the flexibility to use these funds on county roads. Most recently, this flexibility has been provided by the General Assembly in the form of the Secretary's Contingency Fund. Because the General Assembly reduced the historic size of Secretary's Contingency Fund, the Secretary must have an alternative funding source to respond to potential emergency situations."

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund							3,357,000		(3,357,000)
Restricted Funds	10,802,800	10,802,800		19,556,300	9,756,300	(9,800,000)	12,503,500	8,503,500	(4,000,000)
Federal Funds	5,214,500	5,214,500		640,600	640,600		640,600	640,600	
Road Fund	18,234,700	18,234,700		19,262,800	26,417,600	7,154,800	20,622,700	27,277,100	6,654,400
Regular Total Funds	34,252,000	34,252,000		39,459,700	36,814,500	(2,645,200)	37,123,800	36,421,200	(702,600)
Use of Continuing									
TOTAL FUNDS	34,252,000	34,252,000		39,459,700	36,814,500	(2,645,200)	37,123,800	36,421,200	(702,600)
II. EXPENDITURE CATEGORY									
Personnel Costs	18,672,700	18,672,700		14,577,400	13,932,200	(645,200)	14,996,100	14,293,500	(702,600)
Operating Expenses	11,551,300	11,551,300		20,799,200	18,799,200	(2,000,000)	14,770,700	14,770,700	
Grants, Loans, Benefits	4,000,000	4,000,000		4,083,100	4,083,100		4,000,000	4,000,000	
Debt Service							3,357,000	3,357,000	
Capital Outlay	28,000	28,000							
TOTAL EXPENDITURES	34,252,000	34,252,000		39,459,700	36,814,500	(2,645,200)	37,123,800	36,421,200	(702,600)
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	10,802,800	10,802,800		7,923,200	7,923,200		7,860,500	7,860,500	
Federal Funds	5,214,500	5,214,500		191,100	191,100		191,100	191,100	
Road Fund	18,234,700	18,234,700		16,918,100	16,918,100		18,220,600	18,220,600	
Regular Total Funds	34,252,000	34,252,000		25,032,400	25,032,400		26,272,200	26,272,200	
Use of Continuing									
TOTAL BASE LEVEL	34,252,000	34,252,000		25,032,400	25,032,400		26,272,200	26,272,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund							3,357,000		(3,357,000)
Restricted Funds				11,633,100	1,833,100	(9,800,000)	4,643,000	643,000	(4,000,000)
Federal Funds				449,500	449,500		449,500	449,500	
Road Fund				2,344,700	9,499,500	7,154,800	2,402,100	9,056,500	6,654,400
TOTAL ADDITIONAL				14,427,300	11,782,100	(2,645,200)	10,851,600	10,149,000	(702,600)
V. ADDITIONAL BUDGET ITEMS									
1 GB Personnel Vacancies									
ABR35G00001 Provides funds to restore 16 full-time vacant positions in Drivers Licensing, Motor Carriers, and Motor Vehicle Licensing.									
Road Fund				645,200		(645,200)	702,600		(702,600)
Project Total				645,200		(645,200)	702,600		(702,600)

L - Transportation Cabinet**Operating Budget****Vehicle Regulation**

		Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	EXPAN AVIS Replacement									
ABR35G00013	Provides funds for debt service and a small amount of start-up operating for the Automated Vehicle Information System.									
General Fund								3,357,000		(3,357,000)
Restricted Funds					1,833,100	1,833,100		643,000	643,000	
Road Fund									3,357,000	3,357,000
Project Total					1,833,100	1,833,100		4,000,000	4,000,000	
3	EXPAN County Clerk IT Improvement									
ABR35G00006	Provides funds to upgrade computer equipment in the County Clerks Offices which will be required to implement the new AVIS system.									
Restricted Funds					9,800,000		(9,800,000)	4,000,000		(4,000,000)
Road Fund						7,800,000	7,800,000		4,000,000	4,000,000
Project Total					9,800,000	7,800,000	(2,000,000)	4,000,000	4,000,000	
4	EXPAN CVISN Grant									
ABR35G00002	Provides authority for new federal grant and required road fund match to be used for the Oversize Overweight Automated Routing and Bridge Analysis System, the Electronic License Plate and Screening System, the Next Generation Virtual Weigh Station, et al.									
Federal Funds					449,500	449,500		449,500	449,500	
Road Fund					449,500	449,500		449,500	449,500	
Project Total					899,000	899,000		899,000	899,000	
5	GB Digitized License Contract									
ABR35G00008	Provides funds to support increased costs for the Digitized License contract to meet the requirements of the Real ID Act.									
Road Fund					1,250,000	1,250,000		1,250,000	1,250,000	
Project Total					1,250,000	1,250,000		1,250,000	1,250,000	
TOTAL ADDITIONAL					14,427,300	11,782,100	(2,645,200)	10,851,600	10,149,000	(702,600)

TRANSFERS TO THE GENERAL FUND**Vehicle Regulation**

Agency Revenue Fund (KRS 186.040(6)(a))	5,500,000	5,500,000	2,500,000	2,500,000						
Agency Revenue Fund							3,357,000	3,357,000		

L - Transportation Cabinet**Operating Budget****Vehicle Regulation**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Agency Revenue Fund (KRS 186.240(3))	900,000	900,000							
Agency Revenue Fund (KRS 186.040(6)(b))					9,800,000	9,800,000		4,000,000	4,000,000
TOTAL	6,400,000	6,400,000		2,500,000	12,300,000	9,800,000	3,357,000	7,357,000	4,000,000

VEHICLE REGULATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Operations and Support Services, Restricted Funds of \$6,400,000 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$3,357,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$3,357,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides funds for base level personnel.

The General Assembly replaces General Fund Support of \$3,357,000 in fiscal year 2009-2010 for new debt service with Road Fund Support and modifies the related Part I, Operating Budget, language provision to reflect Road Fund Support.

The General Assembly amends Part V, Funds Transfer, to include a Restricted Fund transfer of \$2,000,000 in fiscal year 2008-2009 to the General Fund for the Kentucky Pride Program.

VEHICLE REGULATION

The General Assembly amends Part V, Funds Transfer, to include an additional Restricted Fund transfer of \$7,800,000 in fiscal year 2008-2009 and \$4,000,000 in fiscal year 2009-2010 to the General Fund and replaces with Road Fund support.

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